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United Nations

United Nations Relief and Works Agency for Palestine Refugees in the Near East

Financial report and audited financial statements

for the biennium ended 31 December 1999 and

Report of the Board of Auditors

General Assembly
Official Records
Fifty-fifth session
Supplement No. 5C (A/55/5/Add.3)

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Report of the Board of Auditors

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

ACMH	Arab Council of Ministers of Health
AGFUND	Arab Gulf Programme for United Nations Development Organizations
ATS	Austrian schilling
BS/BT	Bachelor of Science/Baccalaureate technique
C&SP	capital and special projects
CIDA	Canadian International Development Agency
CRC	community rehabilitation centre
D/Fluc.	Deutsche Stiftung für UNO-Flüchtlingshilfe
Dt. Stift.	Deutsche Stiftung
EC	European Community
ECHO	European Community Humanitarian Office
EGH	European Gaza Hospital
EMLOT	Extraordinary Measures for Lebanon and the Occupied Territory
EPA	Expanded Programme of Assistance
FOA	funded ongoing activities
GF	General Fund
IEC	information, education and communication
IGP	Income Generation Programme
NECC	Near East Council of Churches
NGO	non-governmental organization
NRC	Norwegian Refugee Council
PA	Palestinian Authority
PIP	Peace Implementation Programme
SAR	Syrian Arab Republic
UNDOF	United Nations Disengagement Observer Force
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund

UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
USAID	United States Agency for International Development
USD	United States dollar
VAT	value-added tax
WB	West Bank
WHO	World Health Organization

Letters of transmittal

22 March 2000

Sir,

Pursuant to financial regulations 11.4 and 12, I have the honour to submit the accounts of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the biennium ended 31 December 1999, which I hereby approve. The financial statements have been prepared and certified as correct by the Comptroller.

Please accept, Sir, the assurances of my highest consideration.

Yours faithfully,

(*Signed*) Peter **Hansen**
Commissioner-General
United Nations Relief and Works Agency for Palestine
Refugees in the Near East Headquarters (Gaza)

The Chairman of the
Board of Auditors
United Nations

30 June 2000

Sir,

I have the honour to transmit to you the financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the biennium 1998-1999 ended 31 December 1999, which were submitted by the Commissioner-General. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(*Signed*) Sir John **Bourn**
Comptroller and Auditor General of the United Kingdom
of Great Britain and Northern Ireland and
Chairman United Nations Board of Auditors

The President of the
General Assembly of
the United Nations
New York, N.Y.

Chapter I

Financial report for the biennium ended 31 December 1999

Summary

The budget of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the biennium 1998-1999 was $759.5 million. Against that the Agency received a total income of $586.1 million during the biennium and spent $584.0 million, resulting in an excess of income over expenditure of $2.1 million for the period.

The closing balance in the Agency's working capital was $10.4 million. This was due mainly to the working capital of earmarked funding of $14.5 million for basic commodities at the end of the biennium. Considering this, the working capital of the Agency reflected a negative balance of $4.1 million for the biennium. The combined balance of working capital and other funds reflected an amount of $24.5 million, a reduction of $6.1 million from the end of the previous biennium (see statement 1).

The consolidated cash balance, which was $24.6 million at the beginning of the biennium, increased by $6.4 million to $31.0 million at 31 December 1999 (see statement 3). Of the $31.0 million, $9.6 million was committed for the Income Generation Programme and $14.5 million was earmarked for the purchase of basic commodities, leaving a balance of $6.9 million available for operations and projects.

As in the past, the education programme represented the major part of expenditure under the regular budget, with 57.4 per cent of total expenditure. The health programme was next with 18.7 per cent, followed by relief and social services, with 10.9 per cent, and operational and common services, with 13.0 per cent.

	Approved budget		*Actual expenditure*			
Programme	*Percentage*	*United States dollars*	*Percentage*	*United States dollars*	*Reduction of expenditure*	*Percentage decrease*
Education	48.4	325 287 921	57.4	302 395 201	22 892 720	7.0
Health	18.9	126 923 442	18.7	98 615 170	28 308 272	22.3
Relief and social services	12.8	86 206 356	10.9	57 655 348	28 551 008	33.1
Operational and common services	19.9	133 655 300	13.0	68 545 206	65 110 094	48.7
Total	**100.0**	**672 073 019**	**100.0**	**527 210 925**	**144 862 094**	**21.6**

The overall reduction in expenditures of 21.6 per cent against budget was attributable to the Agency's austerity measures. The educational expenditures consisted mostly of salaries of teachers, the total number of which could not be reduced because of the increasing number of schoolchildren. For health and relief and social services, the reduction was mainly due to a decrease in the consumption of

supplies. The reduction of expenditure under operational and common services was due to decreases in both staff and overhead costs.

Expenditure against non-regular funds during the biennium totalled $56.8 million. Projects under the Peace Implementation Programme and the Lebanon Appeal absorbed a large portion of this expenditure, $41.8 million and $7.3 million respectively.

The net assets of the Area Staff Provident Fund increased to $856.6 million, and the market value of the investments at the end of the biennium was $913.1 million. Income available for distribution among the members of the Provident Fund during 2000 totalled $20.9 million.

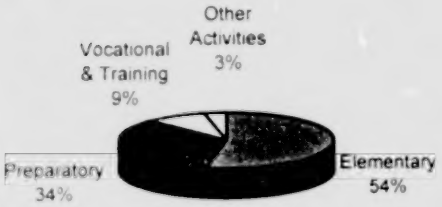
A. Activities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) provides educational, health and relief and social services to about 3.6 million Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic and the West Bank and Gaza Strip. The headquarters of the Agency are located in Gaza and Amman.

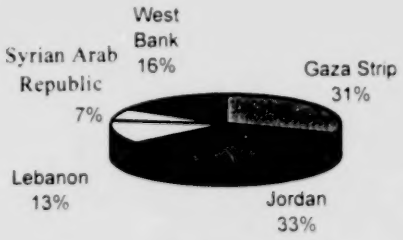
1. Education programme

2. During the biennium 1998-1999, 458,716 and 465,755 children were enrolled for the school years 1998/99 and 1999/00 respectively in the Agency's 640 elementary, preparatory and secondary schools (the latter in Lebanon only), which were staffed by 13,323 teachers. In addition, a total of 182,455 pupils attended other government and private elementary, preparatory and secondary schools at no cost to UNRWA. During the biennium, vocational, technical and teacher education was provided at the Agency's eight training centres and three education science faculties to 6,262 and 6,084 trainees enrolled for the 1998/99 and 1999/00 training years respectively. A total of 568 and 370 instructions taught in those training centres respectively. In-service teacher training courses were provided by the Institute of Education at UNRWA headquarters in Amman through the five education development centres in the field for 527 and 516 education staff members in the two school years respectively. In addition, 732 and 500 contract teachers were trained in the West Bank and Gaza Strip during the two school years. University scholarships were awarded to 891 and 866 students for the academic years 1998/99 and 1999/00 respectively under the Agency's scholarship programme. The Agency's expenditure on the education programme during the biennium was $302.4 million against a budget of $325.3 million. Educational expenditures represented 57.4 per cent of the Agency's total expenditure, while the education budget was 48.4 per cent of the total budget.

3. The distribution of expenditures for educational services by activity and location is shown below:



By activity



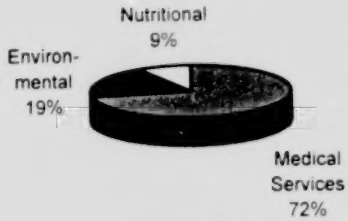
By location

2. Health programme

4. The Agency offers comprehensive primary health care services to Palestine refugees, comprising medical care, disease prevention and control and maternal and child health care, including family-planning services. These services are provided

through 122 primary health care facilities. During the biennium, a total of 14,201,807 visits were made to these clinics by refugee patients for medical and dental consultations and other treatment, such as injections and dressings. Assistance towards hospitalization is provided either at contractual hospitals or through partial reimbursement of costs. UNRWA also runs a small hospital in Qalqilia, West Bank, and operates six maternity units integrated within the largest health centres in the Gaza Strip. Under the hospitalization assistance programme, refugees treated during the biennium at UNRWA hospitals and maternity units and at contracted hospitals utilized a total of 265,572 bed-days. Environmental health services are also part of the health programme as is the supplementary feeding programme for pregnant women and nursing mothers. Total expenditure on the health programme for the biennium amounted to $98.6 million against a budget of $126.9 million. The health programme accounted for 18.7 per cent of the Agency's total expenditure, while the health budget was 18.9 per cent of the total budget.

5. The distribution of health programme expenditures by activity and location is depicted below:



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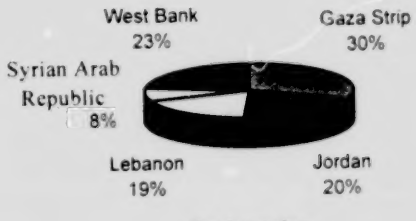


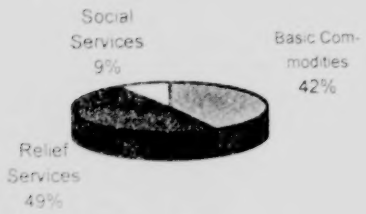
By location

3. Relief and social services programme

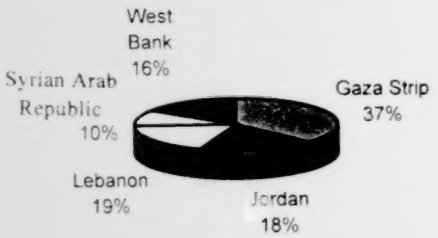
6. The Agency's relief and social services programme provides socio-economic support for the most vulnerable of the Palestine refugees and help to facilitate self-reliance. At the end of 1999, 211,050 refugees (of whom 192,502 were ration recipients) were enrolled in the special hardship programme, representing 5.58 per cent of the total registered refugee population. They belonged to 54,009 families, with an average of four persons per family receiving special hardship assistance. This assistance consists of food, a small cash subsidy, shelter repair, preferential access to vocational and teacher training and small grants or loans to establish individual or group self-support projects. Social workers provided counselling and support to help families cope with the difficulties causing or aggravating their socio-economic problems. Selective cash assistance for those in extreme distress had to be discontinued because of the Agency's difficult financial situation. The social services department continued its poverty alleviation programme (providing credit opportunities) and related skills training. Technical and financial support focused on building up the capacity of 132 community-based organizations (for women, youth and the disabled) to become managerially and financially sustainable. In 1999, approximately 43,000 refugees participated in the activities of those organizations. The Agency's eligibility and registration staff continued to update the field registration system database on 3.6 million refugees. In addition, the newly installed field social study system database began to track socio-economic data of the special

hardship cases. The total expenditure on the relief and social services programme during the biennium amounted to $57.7 million against a budget of $86.2 million. Relief and social services accounted for 10.9 per cent of the Agency's total expenditures, while the relief and social services budget was 12.8 per cent of the total budget.

7. The charts below reflect the distribution of relief and social services expenditures by activity and location:



By activity

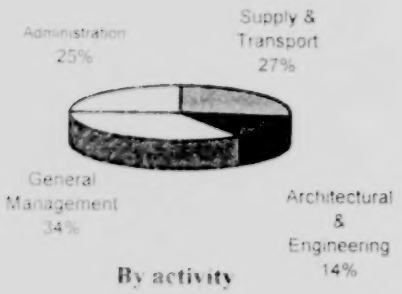


By location

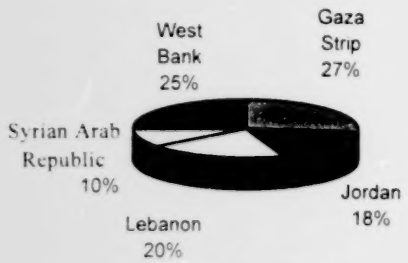
4. Operational and common services programme

8. To strengthen and support the three substantive programmes described above, the Agency provides services relating to supply and transport, architecture and engineering, general management and administration. Expenditures during the biennium for those services amounted to $68.6 million against a budget of $133.7 million. This represented 13.0 per cent of the Agency's total expenditure, while the budget represented 20.0 of the regular budget.

9. The distribution of operational and common services expenditures is depicted below:



By activity



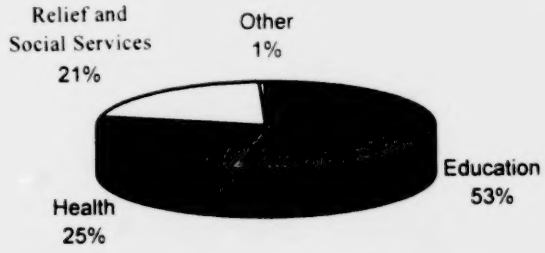
By location

5. Special programmes

10. In addition to the ongoing services mentioned above, UNRWA implemented the following special programmes to improve the living conditions of Palestine refugees, with earmarked funding from donors.

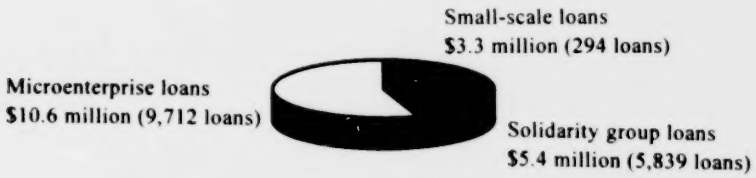
Peace Implementation Programme

11. The UNRWA Peace Implementation Programme was launched in October 1993 following the signature of the Israeli-Palestinian Declaration of Principles in September 1993. Under this Programme, the Agency undertook special construction and development projects in the West Bank and Gaza Strip with the objective of developing infrastructure, improving living conditions and creating employment opportunities. Those objectives were pursued mainly in areas where UNRWA was already playing a significant role, such as in education and vocational training, health care and environmental sanitation, income generation activities and relief assistance and social services. Those development projects were later extended throughout the Agency's area of operations for the benefit of all Palestine refugees. During the biennium, the Programme received $38.3 million, and expenditures amounted to $41.8 million. From its inception in 1993, the Programme has funded a total of 375 projects at a total cost of $235.2 million. The distribution of expenditures by main activity is shown below:



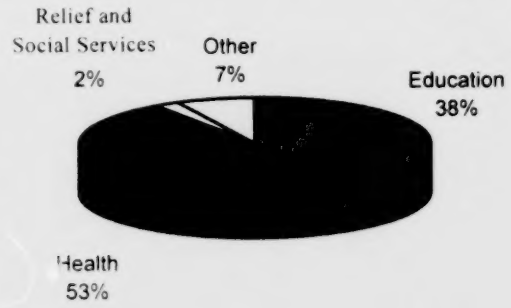
Income Generation Programme

12. Since June 1991, the Income Generation Programme in the West Bank and Gaza has helped to promote small business development, create employment, improve the income of microenterprises and reduce poverty through the establishment of a number of targeted credit programmes aimed at small businesses, microenterprises and women. The Programme is organized around three revolving loan funds in Gaza and two in the West Bank. The programme supports businesses varying in size from micro-vending, employing just one or two individuals, to small industries, and aims to satisfy a variety of needs such as capital funding and working capital financing. Since it was established the Programme has distributed $36.7 million through 26,639 loans (23,933 loans valued at $31.5 million in Gaza and 2,706 loans in West Bank valued at 5.2 million). The total disbursement for the biennium was $19.4 million for 15,845 loans, distributed as follows:



Lebanon Appeal

13. The Lebanon Appeal was issued to help alleviate the socio-economic conditions of the 365,000 Palestine refugees registered in Lebanon. Most of those refugees suffered from deplorable living conditions and depended almost entirely on UNRWA for basic services. The deteriorating socio-economic situation in the country, combined with the inability of those refugees to gain full access to the job market or to avail themselves of public health facilities, heightened their desperation and misery. As the regular funding available to UNRWA was insufficient to cope with the growing needs of the refugees in Lebanon, the Agency launched a special emergency appeal in July 1997 in Geneva, seeking $11 million in additional contributions to support essential health, education and relief and social services. During the biennium, total expenditure incurred on specific project activities was $7.3 million, using funding received in 1997. Contributions received in 1998-1999 totalled $1.6 million. The distribution of 1998-1999 expenditures for the Lebanon Appeal is shown below:



Capital and special projects

14. Activities funded under capital and special projects are undertaken only if earmarked funding is available. Capital projects represent investment to upgrade and expand facilities in connection with the Agency's regular programmes, namely schools, health clinics and community centres. Special projects consist of ongoing activities related to the Agency's regular programmes, which donors have agreed to fund separately on a recurrent basis but which are not considered part of the Agency's regular programmes, such as training centres and scholarships. Expenditures on capital and special projects during 1998-1999 totalled $2.6 million against an income of $1.0 million.

Expanded Programme of Assistance

15. The Expanded Programme of Assistance was established in 1988 to improve living conditions in refugee communities and to upgrade the Agency's infrastructure throughout its area of operations, with special emphasis on the West Bank and Gaza Strip. The Programme was subsumed into the Peace Implementation Programme in October 1993, and the Agency began to phase it out as projects were completed. A total of $0.8 million was spent to complete Expanded Programme of Assistance projects during the biennium under review.

European Gaza Hospital

16. The European Gaza Hospital project was initiated in 1990 to alleviate the serious shortage of hospital beds and adequate medical services, such as outpatient care and diagnostic, therapeutic and support services. With the assistance of the European Community and European donors, the construction of the hospital commenced in 1993 and was completed in 1996. After its commissioning and initial operation by an international management team working under a tripartite project board comprising members of UNRWA, the European Community and the Ministry of Health of the Palestinian Authority, the 232-bed hospital will become an integral part of the Palestinian Authority's health care system. During the biennium, the Agency received $0.9 million towards the costs of the hospital project, and spent $1.2 million.

6. Headquarters move to Gaza and Amman

17. The physical move of the Agency's headquarters from Vienna to Gaza and Amman was completed in July 1996. According to the Agency's records, all financial obligations related to the move have been completed, and no expenditure was incurred during the biennium 1998-1999. However, the total expenditures incurred up to 1997 amounted to $17.3 million, whereas the contributions received totalled $12.1 million. Contrary to the original intention that the move would not be a burden on the Agency's regular budget, the deficit of $5.2 million had to be financed out of the Agency's regular budget funds.

B. Financial results

18. During the biennium, the Agency's overall surplus amounted to $2.1 million on its operations, as shown in statement 1, which also shows the balances of the Agency's working capital and other funds. The balances of the other funds are earmarked for specific purposes. The working capital under the Agency's regular budget fund is not a statutory operating reserve, but is the difference between the assets and liabilities of the fund. The working capital account is used for three specific purposes, namely: (a) to meet temporary, current-year imbalances in the cash flow; (b) to finance unforeseen needs; and (c) to meet any extraordinary liquidating liabilities in the event of a curtailment of the Agency's activities. As shown in statement 5, the working capital account of the regular budget had a positive balance of $10.4 million. This is accounted for by the following:

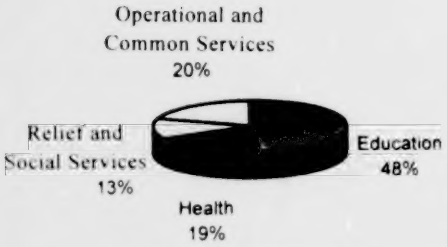
(a) A positive working capital balance of $14.5 million earmarked for in-kind purchase of basic commodities;

(b) A negative working capital balance of $4.1 million on all other regular cash budget operations during the biennium.

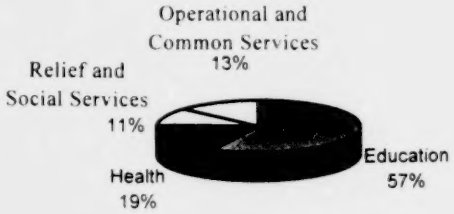
19. For efficient cash flow management, the Agency centrally manages all cash received by the Agency for both the regular and non-regular budgets. The statement of cash flow for the period, statement 3, shows the sources and application of funds during the biennium and reflects the consolidated cash balance of $31.0 million at the end of the biennium.

20. Statement 4 shows the Agency-wide budgeted and actual expenditures for 1998-1999. The Agency expended $584.0 million during the biennium against a

budget of $759.5 million on all its activities. On the regular budget alone, the expenditure was $527.2 million against a budget of $672.1 million. A graphic comparison of the regular budget actual expenditures versus the budgeted expenditure is shown below.



Budget - $672 million

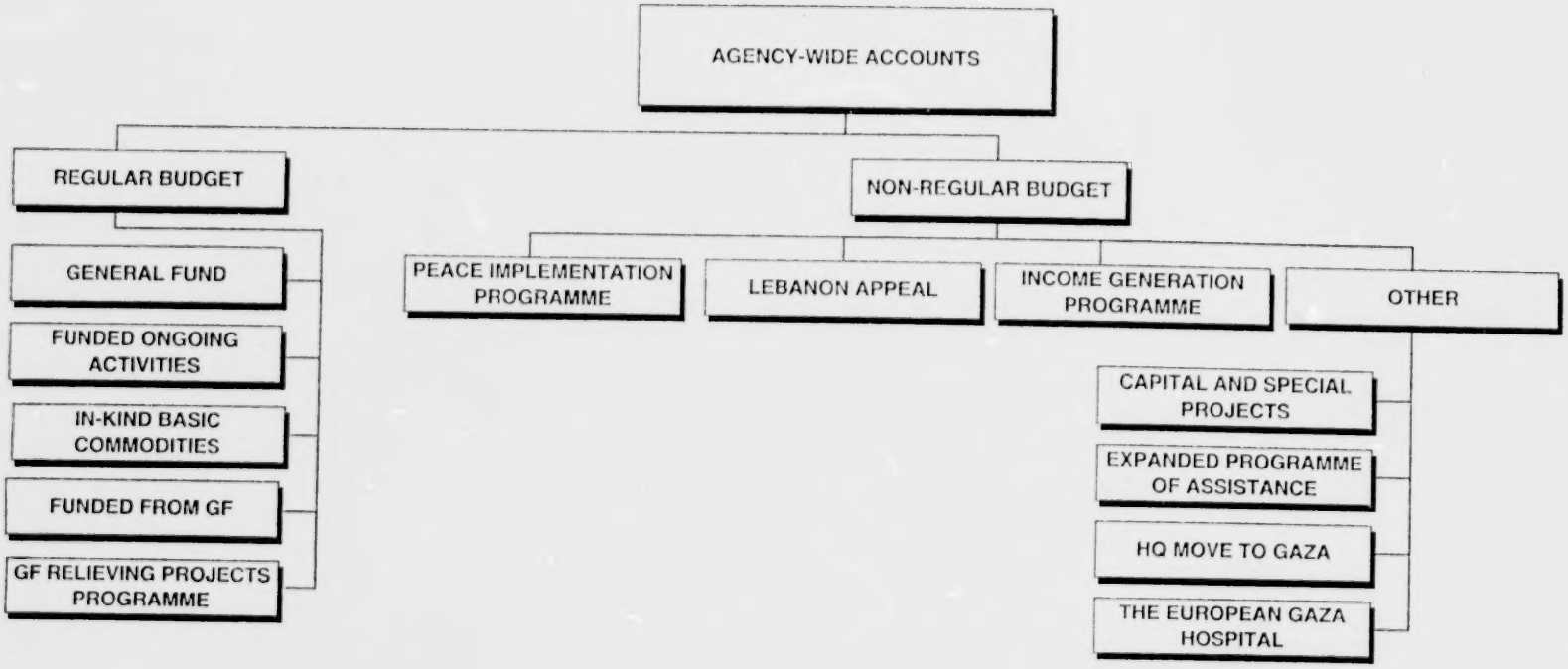


Actual - $527 million

21. The accounts of the Area Staff Provident Fund, shown separately in this report, indicate that the total assets of the Fund rose from $824.3 million to $856.6 million during the biennium. Net investment income for the biennium was $102.1 million compared with $145.6 million for the previous biennium, and $20.9 million is available for distribution to the participants.

22. A diagram of UNRWA accounts for the biennium 1998-1999 follows.

UNRWA 1998-1999 ACCOUNTS



Chapter II
Report of the Board of Auditors

Summary

The Board of Auditors has audited the operations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The Board has also validated the financial statements of UNRWA for the biennium ended 31 December 1999.

The Board's main findings are as follows:

(a) The United Nations Relief and Works Agency for Palestine Refugees in the Near East declared a surplus of $2.08 million of income over expenditure for the biennium 1998-1999, as against a deficit of $21.2 million for the biennium 1996-1997;

(b) The value of land and buildings of $298.7 million was not capitalized and included in the statement of assets, liabilities and fund balances as at 31 December 1999, resulting in the understatement of total assets, recorded at $68.7 million, by $298.7 million. The Board has decided not to qualify its audit opinion on this matter pending the outcome of the revision of the UNRWA Financial Regulations;

(c) A total of $24.2 million from regular budget funds that had been applied to specific-purpose projects prior to the receipt of funds from donors was outstanding as at 31 December 1999;

(d) Two Governments subjected the Agency to direct taxes and customs duties totalling $24.58 million, which is contrary to the Convention on the Privileges and Immunities of the United Nations;

(e) Out of the overpayment of extended monthly evacuation allowance and educational grants totalling $299,142.99 made to 14 staff members, an amount of $37,959.25 had been recovered by the Administration, leaving a balance of $261,183.74 outstanding as at 31 March 2000;

(f) The Agency could not physically locate some 500 non-expendable property items on its inventory listing. The inventory listing had not been updated since 1996, and it showed incorrect locations of non-expendable property items.

The Board recommended that UNRWA review its policy on the pre-financing of donor-specified projects and strengthen its efforts to recover outstanding tax reimbursement and all overpayments relating to extended monthly evacuation allowances and education grants. Also, the Administration should improve its asset management system and the presentation of its financial statements.

A list of the Board's main recommendations is included in paragraph 10.

A. Introduction

1. The Board of Auditors has audited the financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the period from 1 January 1998 to 31 December 1999, in accordance with General Assembly resolution 74 (I) of 7 December 1946 and article XII of the Financial Regulations of UNRWA. The audit has been conducted in conformity with article XII of the Financial Regulations of UNRWA and the annex thereto, and with the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Those standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the expenditures recorded in the biennium 1998-1999 had been incurred for the purposes approved by the governing bodies, whether income and expenditures had been properly classified and recorded in accordance with the Financial Regulations and Rules and whether the financial statements of UNRWA presented fairly the financial position at 31 December 1999 and the results of the operations for the period then ended. The audit included a general review of financial systems and internal controls and a test examination of accounting records and other supporting evidence to the extent the Board considered necessary to form an opinion on the financial statements.

3. In addition to the audit of the accounts and financial transactions, the Board carried out reviews under article 12.5 of the Financial Regulations and Rules of the United Nations. The reviews concerned the efficiency of financial procedures, the internal financial controls and, in general, the administration and management of UNRWA. The audit was carried out at UNRWA headquarters at Gaza and Amman and field offices in Gaza, Lebanon and the Syrian Arab Republic.

4. During the period under review, the Board continued its practice of reporting the results of specific audits through management letters containing detailed observations and recommendations to the Administration. This practice helped to maintain an ongoing dialogue with the Administration on audit issues.

5. The present report covers matters which, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views, where appropriate, have been reflected in the report. The report covers the audit of both financial and management issues.

6. A summary of the Board's main recommendations is contained in paragraph 10. The detailed findings are reported in paragraphs 12 to 56.

7. In accordance with section A, paragraph 7, of General Assembly resolution 51/225 of 3 April 1997, the Board has reviewed the action taken by the Administration to implement the recommendations made in its report for the biennium ended 31 December 1995 and confirms that there are no outstanding matters.

8. In accordance with General Assembly resolution 48/216 B of 23 December 1993, the Board also reviewed the measures taken by the Administration to

implement the recommendations made in its report for the biennium ended 31 December 1997. Details of the action taken and the comments of the Board are set out in the annex to the present report.

9. The General Assembly, in its resolution 52/212 B of 31 March 1998, accepted the recommendations of the Board of Auditors for improving implementation of its recommendations approved by the Assembly subject to the provisions contained in the resolution. The Board's proposals, which were transmitted to the Assembly in a note by the Secretary-General (A/52/753, annex), included the following main elements:

(a) The need for specification of timetables for the implementation of recommendations;

(b) The disclosure of office-holders to be held accountable;

(c) The establishment of an effective mechanism to strengthen oversight in regard to the implementation of audit recommendations. Such a mechanism could be in the form of either a special committee comprising senior officials or a focal point for audit and oversight matters.

The Board noted that the Administration had generally complied with those requirements.

Main recommendations

10. The Board recommends that UNRWA:

(a) Review its policy on the pre-financing of donor-specified projects in view of the adverse effect on the cash flow of the Agency (para. 41);

(b) Recover the $24.2 million outstanding from donors and reimburse the regular budget funds (para. 41);

(c) Strengthen its efforts to recover the outstanding tax reimbursements of $23.72 million and make further appeals to the two Governments to accept the tax-exempt status of the Agency (para. 44);

(d) Recover all overpayments relating to extended monthly evacuation allowances and education grants (para. 51);

(e) Review the various administrative instructions relating to extended monthly evacuation allowances and education grants to remove ambiguities in their interpretation and application (para. 51);

(f) Develop and implement a computerized asset management system in order to better manage and control its non-expendable property items (para. 55).

11. The Board's other recommendations are shown in paragraphs 19, 21, 26, 28 and 34.

B. Financial issues

1. Accounts and financial reporting

Operational results

12. The total combined income for all funds of $586.05 million for the biennium ended 31 December 1999 was lower than that of $630.3 million for the biennium 1996-1997. Similarly, total expenditure of $651.5 million for the biennium 1996-1997 decreased to $584.0 million for the biennium 1998-1999. There was a surplus of $2.08 million of income over expenditure for the biennium 1998-1999, as against a deficit of $21.2 million for the biennium 1996-1997.

13. Contributions to regular budget funds, which continue to be the main source of the Agency's income, increased to $538.2 million for the biennium 1998-1999 compared with $524.9 million for the previous biennium. Contributions to non-regular budget funds, on the other hand, decreased from $101.2 million for the biennium 1996-1997 to $42.6 million.

14. The Administration attributed the increase in income under the regular budget to its intensified efforts to generate revenue. It further explained that the reduction in non-regular budget funds for the biennium 1998-1999 was due to the fact that most of the income relating to the Peace Implementation Programme was received during the previous biennium.

15. The Board is pleased to note that the Administration's efforts achieved an increase in its regular budget income, but considered that much work needed to be done in the area of the non-regular budget income.

United Nations accounting standards

16. The Board assessed the extent to which the financial statements of UNRWA for the biennium 1998-1999 conformed to the United Nations accounting standards. The review disclosed that the presentation of the financial statements was generally consistent with the standards; however certain aspects of the presentation needed to be modified to bring the financial statements fully in line with those standards. The main areas for attention were the presentation of the cash flow statement, disclosure of contingent liability, land and buildings, non-expendable property and prior years' adjustments.

Cash flow statement

17. The presentation of the cash flow statement for the biennium ended 31 December 1999 (statement 3) was not in accordance with the indirect method prescribed by the United Nations accounting standards. The statement disclosed sources and application of funds for the biennium rather than disclosing cash flows from operating and investing and financing activities as well as from other sources. The cash flow statement for the biennium ended 31 December 1999 also did not include comparative figures in respect of the previous financial period.

18. The Administration explained that the cash flow statement prescribed in the United Nations accounting standards was not suited to the Agency's system of accounting, as its cash resources, including other income, are derived from operational activities. The Agency will, nonetheless, refine the format of its report

for the biennium 2000-2001 in accordance with the United Nations accounting standards.

19. **The Board recommends that for more accurate and transparent financial reporting, the Agency should disclose information on its cash flow statement in line with the United Nations accounting standards, including the disclosure of current and prior year's comparative amounts.**

Contingent liabilities

20. The contingent liabilities disclosed in note 12 to the financial statements omit estimates of salary arrears and entitlements in respect of staff members whose appeals are pending before the respective appeal boards and the United Nations Administrative Tribunal in New York.

21. **The Board recommends that full disclosure of the Agency's contingent liabilities be included in the notes to the financial statements in accordance with United Nations accounting standards.**

Land and buildings

22. In its report for the biennium ended 31 December 1997,[1] the Board of Auditors expressed concern about the omission of the value of land and buildings from the statement of assets, liabilities and fund balances, contrary to the requirements of the United Nations accounting standards. The Board of Auditors recommended that the financial statements be improved further to include the value of land and buildings.

23. The Board noted that the value of land and buildings, totalling $298.7 million, was not capitalized and was not included in the statement of assets, liabilities and fund balances as at 31 December 1999. The effect of this omission is that total assets figure of $68.7 million has been understated by $298.7 million. The Board also noted that the value of buildings of $28.7 million was charged to the expenditure account instead of the land and building account; therefore, the total expenditure of $584.0 million reported in the financial statement for the biennium was overstated by $29.9 million (5 per cent).

24. The Administration informed the Board that in order to bring the Agency's accounting treatment of its land and buildings in conformity with the United Nations accounting standards, it has proposed to the United Nations a draft amendment to its Financial Regulations. The process, which requires consultation with the Advisory Committee on Administrative and Budgetary Questions and the approval of its Executive Board before the recommendation can be implemented, is scheduled to be completed before the end of the biennium 2000-2001. The Board has decided not to qualify its audit opinion on this matter pending the outcome of the revision of the Financial Regulations.

Valuation of non-expendable property

25. The Board noted that the method of valuation of non-expendable equipment and motor vehicles valued at $65.1 million was not disclosed in a note to the financial statements as required in paragraph 49 of the United Nations accounting standards.

26. **The Board recommends that notes to the financial statements include the method of valuation of non-expendable equipment and motor vehicles.**

Prior years' adjustments

27. In the presentation of the statement of income and expenditure and changes in reserves and fund balances for the biennium ended 31 December 1999, prior years' adjustments totalling $0.18 million were not taken into account in determining the net excess/shortfall of income over expenditure as required by the United Nations accounting standards. This presentation was also inconsistent with the presentation in previous financial statements. As a result, the shortfall of income over expenditure of $17.7 million for the biennium 1996-1997 was restated as $21.2 million in the financial statements for the biennium ended 31 December 1999.

28. **The Board recommends that the format of presentation of the statement of income, expenditure and changes in reserves and fund balances be improved further to disclose net excess/shortfall of income over expenditure in accordance with the United Nations accounting standards.**

2. Write-offs of losses of cash, receivables and property

29. In line with financial regulation 11.5, the Administration provided the Board with details of losses of cash and other non-expendable property written off during the biennium 1998-1999. This included loss of cash amounting to $217 and non-expendable property totalling $12,546.47 (based on original cost), which were written off in accordance with financial regulation 5.3. The amounts written off in respect of non-expendable property resulted mostly from thefts that were reported to the Headquarters Property Survey Board.

3. Ex gratia payments

30. The Administration informed the Board that no ex gratia payments had been made during the biennium 1998-1999.

C. Management issues

1. Programme management

Programme implementation

31. The Board's review of the level of overall programme implementation, expressed in terms of expenditures as a proportion of the budget, disclosed that implementation of regular and non-regular budget programmes combined decreased slightly, from 78 per cent for the biennium 1996-1997 to 76.9 per cent for the biennium 1998-1999. The level of implementation of non-regular budget programmes of 65 per cent for the biennium 1998-1999 lagged behind that for regular budget programmes of 78 per cent.

32. The Board noted instances of low utilization of project funds received during the biennium. For example, out of a total of $425,704 donated for the procurement of medical supplies for Gaza and the West Bank, only $20,852 (5 per cent) was utilized. Similarly, of the $12.8 million received during the biennium to implement 14 projects under the Peace Implementation Programme, only $3.4 million (26 per

cent) was utilized. In yet another case, the Lebanon Appeal Programme, out of the total contributions of $362,627 for the rehabilitation of shelters in Lebanon, only $54,893 (15 per cent) was utilized.

33. The Board noted that the Agency had not developed programme performance indicators or benchmarks to enable the Agency to assess programme performance.

34. **The Board recommends that the Agency develop specific generic performance indicators as a basis for assessing programme performance.**

Reduction in approved budget

35. The Agency provides education, health and relief and social services to Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. The contributions to the regular budget and the growth in the refugee population during the past three bienniums are analysed below:

	Refugee population		*Income*	
Biennium	*Millions*	*Percentage growth*	*United States dollars*	*Percentage growth*
1994-1995	3.2	0	557 580 002	0
1996-1997	3.5	9	525 532 387	(6)
1998-1999	3.6	13	540 074 885	(3)

36. Using the biennium 1994-1995 as the base, while refugee populations increased in the subsequent two bienniums by 9 per cent and 13 per cent respectively, contributions, decreased by 6 per cent and 3 per cent. This decreasing trend in contributions caused the Administration to reduce its approved budget from $672,073,019 to $527,210,925 during the biennium 1998-1999, as shown below:

	Budget (millions of United States dollars)		*Reduction*	
Programme	*Approved*	*Revised*	*Millions of United States dollars*	*Percentage*
Education	325.3	302.4	22.9	7.0
Health	126.9	98.6	28.3	22.3
Relief and social services	86.2	57.7	28.5	33.1
Operational services	45.5	27.9	17.6	38.7
Common services	88.2	40.6	47.6	54.0
Total (regular budget)	**672.1**	**527.2**	**144.9**	**21.6**

37. The Board noted that a portion of the reduction in the approved budget affected programme delivery during the biennium. For example, under the education programme, the Agency could not introduce the tenth grade in schools in the West Bank as planned. Teachers were hired on a contractual basis, which did not attract

qualified and experienced teachers. No additional teacher posts were created, and no elementary-school teachers were promoted in the West Bank. There were also reductions in the number of university scholarships for students, and a freeze was put on staff recruitment.

38. The Administration informed the Board that, in addition to the cost-reduction measures, the Agency had embarked on a number of measures to attract more funding, such as expanding its donor base by establishing relations with non-traditional donors and holding ongoing discussions with various Arab representatives to increase their contributions. UNRWA was also seeking donor assistance in non-traditional areas such as technical assistance rather than material assistance.

39. The Board noted that over the years the Administration had relied on regular budget funds to pre-finance donor-specified and earmarked projects for which donors had failed to honour their pledges of contributions. A total of $24.2 million from the regular budget that had been applied to specific-purpose projects prior to the receipt of funds from donors was outstanding as at 31 December 1999. Of that total, $11.2 million had been outstanding since 31 December 1997.

40. In their reports on the operations of the Agency for the bienniums 1994-1995[2] and 1996-1997,[1] the Board of Auditors raised concerns about the negative effects that advance authorization of funds to start implementation of specific-purpose projects prior to the receipt of funds from donors has on the cash flow of the Agency.

41. The Board welcomes the positive steps taken by the Administration to obtain more funding to support approved projects. However, **the Board recommends that the Administration review its policy on the pre-financing of donor-specified projects in view of the adverse effect on the cash flow of the Agency. Also, the Administration should recover the $24.2 million outstanding from donors and reimburse the regular budget funds.**

Direct taxes and customs duties

42. The Board noted that two Governments had subjected the Agency to direct taxes and customs duties totalling $24.58 million, contrary to the Convention on the Privileges and Immunities of the United Nations. In spite of the serious efforts of the Administration, it was able to recover only $0.86 million out of the total amount, leaving a balance of $23.72 million outstanding against the two Governments as at 31 March 2000.

43. The Board was concerned about the significant amounts of the Agency's working capital that had been locked up in customs duties and value-added taxes.

44. **The Board recommends that the Agency strengthen its efforts to recover the outstanding tax reimbursements of $23.72 million and that it make further appeals to the two Governments to accept the tax-exempt status of the Agency.**

Overpayment of extended monthly evacuation allowance

45. Based on the provisions of the United Nations Security Handbook, UNRWA has issued personnel directives stating that extended monthly evacuation allowance is payable to UNRWA international staff based in Gaza with recognized dependants

based outside Gaza. The personnel directives preclude concurrent payment of the allowance and the boarding element of the education grant. Rates of post adjustment and the threshold for the calculation of the allowance have also been established in the directives.

46. In 1998, the Administration conducted a review of the payments of extended monthly evacuation allowance and education grant to staff members and determined that overpayments totalling $229,142.99 were made to 14 staff members.

47. The overpayments had resulted from the application of incorrect rates of post adjustment and an incorrect threshold for the calculation of the extended monthly evacuation allowance and the concurrent payment of the allowance and the boarding element of the education grant. In a report on the review, it was recommended that the Administration recover the overpayments — some of which dated as far back as 1996 — from the affected staff members, as analysed below:

Category	*Number of staff*	*Amount (United Sates dollars)*
Staff members with UNRWA	5	30 537.82
Staff members with other United Nations organizations	5	49 400.00
Separated staff members	4	219 204.37
Total	**14**	**299 142.19**

48. Of the overpayments of $299,142.99, the Administration has recovered $37,959.25 (13 per cent), leaving a balance of $261,183.74 as at 31 March 2000.

49. The Board noted that the overpayments were also caused by ambiguities in the rules relating to the extended monthly evacuation allowance and education grants, failure of the Administration to promptly rectify incorrect payments and the failure of officers to take into account information provided by beneficiaries in determining the calculation of the extended monthly evacuation allowance.

50. The Administration informed the Board that to forestall the occurrence of such overpayments it has instituted corrective measures, such as the introduction of a system of yearly verification of the status of dependants and their location for purposes of the extended monthly evacuation allowance, the assignment of qualified and experienced staff to handle the claims schedule and the revision of EMEA claim forms. The Administration further stated that it understood that United Nations Headquarters would be revising the instructions on the extended monthly evacuation allowance. However, since this had not yet occurred, the Administration intended to issue its own revised instructions by the end of May 2000.

51. **The Board recommends that the Administration recover all overpayments relating to extended monthly evacuation allowances and education grants. The Board also recommends that the Administration review the various administrative instructions relating to extended monthly evacuation allowances and education grants to remove ambiguities in their interpretation and application.**

Management of non-expendable property

52. In 1996, the Agency transferred its non-expendable property during the relocation of its headquarters from Vienna to Gaza. In 1998, the Field Supply and Transport Office consolidated the inventory records on all non-expendable property items. The Board noted that the consolidated inventory listing, covering 1,227 non-expendable property items, was incomplete and inaccurate, as described below:

(a) Some 500 of the non-expendable property items on the inventory listing could not be physically located at the headquarters premises;

(b) A total of 564 non-expendable items written off or transferred to field offices and the Amman headquarters, some dating as far back as 1991, were retained on the inventory listing;

(c) In most cases, the value of items was not provided;

(d) The location column of the inventory listing still shows room numbers at the Vienna headquarters.

53. The Board also noted that 228 non-expendable property items on the inventory listing were not provided with decal numbers.

54. In April 2000, the Administration started an exercise to reconcile records and physically count equipment and non-expendable property items, after which it intends to produce comprehensive inventory records on the items at the Gaza headquarters.

55. The Board is concerned about the deficiency in the management and control of non-expendable property items. **The Board recommends that the Administration develop and implement a computerized asset management system in order to better manage and control its non-expendable property items.**

2. Cases of fraud and presumptive fraud

56. The Administration informed the Board of the four cases of fraud that had come to its attention during the biennium 1998-1999. The four cases, which involved a total loss to the Agency of $9,026.98, were perpetrated by four staff members and one non-staff member. The Administration recovered $4,806.74, leaving a balance of $4,220.24 outstanding as at 31 December 1999. Two staff members were reprimanded, and the appointments of two others were terminated.

D. Acknowledgement

57. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended to its staff by the Commissioner-General, senior officers of UNRWA and members of their staff.

(*Signed*) Sir John **Bourn**
Comptroller and Auditor General of the
United Kingdom of Great Britain and Northern Ireland

(*Signed*) Osei Tutu **Prempeh**
Auditor-General of Ghana

(*Signed*) Celso D. **Gangan**
Chairman, Philippine Commission on Audit

30 June 2000

Notes

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5C* (A/53/5/Add.3), chap. II.

[2] Ibid., *Fifty-first Session, Supplement No. 5C* (A/51/5/Add.3), chap. II.

Annex

Follow-up on action taken to implement the recommendations of the Board of Auditors in its report for the biennium ended 31 December 1997

Recommendation 8 (a)

1. Allotments for specific-purpose projects should be issued only after sufficient contributions have been received from donors.

Measures taken by the Administration

2. The External Relations Office at Headquarters was now monitoring advance authorizations closely and was constantly in touch with donors regarding unpaid pledges. The appointment of a new Chief for the External Relations Office, in autumn 1998, and moves to fully staff the Office were facilitating the exercise.

Comments of the Board

3. The Board's comments on this issue are discussed in the present report.

Recommendation 8 (b)

4. The statement of assets, liabilities and fund balances should be improved to include the value of land and buildings. Also, the title deeds should be obtained and kept at headquarters to confirm UNRWA ownership of its capital assets.

Measures taken by the Administration

5. The Administration informed the Board that in order to bring the Agency's accounting treatment of its land and buildings into conformity with the United Nations accounting standards, an amendment to financial regulation 10.2 had been proposed to United Nations Headquarters. However, to reflect a more complete picture of total fixed assets in the financial statements for the biennium 1998-1999, total historical cost with a contra amount had been reflected in the accounts. Also, to facilitate implementation of the proposed change in the financial regulation, a physical verification exercise for the entire stock of the Agency's land and buildings had been undertaken. The deeds had been received by the Gaza headquarters and were on file.

Comments of the Board

6. The Board's comments on this issue are discussed in the present report.

Recommendation 8 (c)

7. The Administration should provide the Finance Department with the resources required for the Department to function more effectively.

Measures taken by the Administration

8. The Administration informed the Board that the Agency had reorganized its Finance Department by appointing a Comptroller and that it had filled vacancies in the Accounts Division with qualified personnel. A new financial management system that will significantly improve the Agency's capability to present financial reports in a timely manner would be implemented during the biennium 2000-2001.

Comments of the Board

9. The improvement in staffing at the Finance Department resulted in the timely preparation of the financial statements for the biennium 1998-1999. The Agency's computer systems for procurement and stock control, payroll and project management were yet to be improved to reflect concerns raised by the Board. The Board will, in its future audits, evaluate the impact of the reform measures being implemented by the Administration.

Recommendation 8 (d)

10. The Agency should review its fund-raising strategies and closely monitor its donor agreements and contract award procedures.

Measures taken by the Administration

11. The Administration continued to discuss with donors the financial requirements of the Agency to enable it to provide services to the Palestine refugee community. Support was being sought from new donors, and additional support was being requested from traditional donors. Also, contract award procedures were being considered in the context of the internal audit and were the subject of an external review of donor-funded consultants. Thorough attention would be given to recommendations for the strengthening of internal control procedures and contracting effectiveness. The recommendations of the external review were discussed internally and approved by the Administration in April 2000.

Comments of the Board

12. The Board notes and appreciates the Agency's efforts to expand its donor base in order to attract more funding for its activities. The Board's comments on this issue are discussed in the present report. The Board, in its future audits, will also review the effectiveness of ongoing reviews of contract award procedures.

Recommendation 8 (e)

13. The Project Monitoring Unit should be equipped with the resources required for more efficient monitoring of UNRWA projects.

Measures taken by the Administration

14. The Agency had enhanced staffing at the Project Monitoring Unit. Directives had also been issued to field project monitoring offices instructing them to improve on the timeliness and accuracy of field project reporting. Additionally, a Project Review Board had been established to improve the management of the Agency's priority project list. A draft project manual approved by the Agency's Management

Committee in autumn 1999 was being revised prior to its finalization. Among the issues discussed in the manual was the financial reporting format.

Comments of the Board

15. Despite improvements in the staffing position of the Project Monitoring Unit, its effectiveness in project monitoring and reporting is hampered by the lack of an updated project procedure manual to provide standard guidelines and instructions to be applied and enforced by the Unit. The Administration should expedite action in compiling an updated project manual.

Recommendation 8 (f)

16. UNRWA should take steps to recover the amounts outstanding from donors and reimburse the General Fund for the $11.2 million spent on the Gaza General Hospital project.

Measures taken by the Administration

17. The European Union's scheduled audit of the Gaza General Hospital project was completed in June 1999. UNRWA had been discussing the matter with European Commission officials in order to obtain more funds to reimburse the regular budget funds.

18. The responsibility of commissioning the hospital was with the European Union. An international management team had been contracted to prepare the grounds to begin operating the hospital in July 2000.

Comments of the Board

19. The General Fund has not been reimbursed for the funds outstanding from donors. The Administration, moreover, continued to incur more expenditures in the maintenance and other costs of the hospital project. The deficit funding of $11.2 million, which was the subject of comments by the Board in the previous biennium, had increased to $11.3 million at the end of the biennium 1998-1999. The Board reiterates its recommendation that the Administration pursue reimbursement of the outstanding amount of $11.3 million.

Recommendation 8 (g)

20. UNRWA should ensure that all systems are tested for year 2000 compliance, with sufficient lead time to address any deficiencies.

Measures taken by the Administration

21. The Agency tested all its applications for year 2000 compliance. The review process was completed in March 1999, which allowed sufficient time to make any necessary changes before the Agency's internal deadline of September 1999. Consequently, no major hitches were encountered by the Agency during the rollover period.

Comments of the Board

22. The Board's year-end audit disclosed that the Agency spent a total of $402,461 on preparing and implementing its year 2000 project, which included changing and upgrading its non-Pentium computers, servers and operating systems for servers and workstations.

Recommendation in paragraph 22

23. For more accurate and transparent financial reporting, UNRWA should disclose information on the changes in reserves and fund balances in its statement II in accordance with the requirements of the United Nations accounting standards.

Measures taken by the Administration

24. Statement I of the financial statements on the accounts of the Agency for the biennium 1998-1999 was prepared in accordance with the accounting standards.

Comments of the Board

25. The recommendation has been implemented.

Recommendation in paragraph 41

26. The Administration should comply fully with the established instruction that before projects are accepted, the necessary land permits should be obtained.

Measures taken by the Administration

27. The Administration explained that it was cognizant of the need to establish clarity as to availability of sites and ownership at the project planning stage and was making every effort to do this. However, problems often arose at a later stage, emanating from issues and aspects beyond the Agency's control. The projects that had not been executed during the previous biennium as a result of disputes over land acquisition were implemented during the biennium 1998-1999. The newly established Project Review Board would apply the criterion that approval of a project requires the documented availability of the site.

Comments of the Board

28. The Board will continue to follow up on compliance with the established instructions.

Recommendation in paragraph 57

29. UNRWA should refine the procedures for the selection and award of contracts and update the register of vendors in a timely manner to ensure that only competent contractors are considered for the Agency's projects. Also, the Administration should closely supervise its contracts to ensure that contractors' work meets the required standards, that cost and time overruns are avoided and that the clause on liquidated damages is strictly enforced.

Measures taken by the Administration

30. The Agency responded that it rigorously applied established contracting procedures. Contractors who qualified for projects but who underperformed were not considered for other projects. Field contract committees were aware of past contractor performance when evaluating contractors and awarding contracts. The Headquarters Committee on Contracts also reviewed contracting processes.

31. On the subject of project supervision, project managers were aware of the comments of the Board of Auditors and were maximizing their effort to ensure that contractor performance met required standards. Instructions had been issued to field directors to ensure greater compliance with the policy.

Comments of the Board

32. The Board observed that the deficiencies in contractor performance, inadequate supervision and delays in the implementation of projects that characterized construction contracts in the previous biennium were significantly fewer during the biennium under review. The Board will continue to monitor the implementation of the instructions in the field in its future audits.

Recommendation in paragraph 61

33. A decision should be made by the Provident Fund on investments with the countries that do not grant tax exemption to the Fund. Also, more effective measures should be undertaken to recover the outstanding taxes withheld from the Fund.

Measures taken by the Administration

34. During the biennium, the Provident Fund secretariat issued directives to its fund managers to minimize the incidence of withholding of taxes by selling securities prior to the ex-dividend date in countries that fail to provide tax exemptions to the Fund.

35. The Provident Fund secretariat, during the biennium, was able to secure from the Italian and Spanish authorities tax exemptions for its investments. Direct tax exemptions are being sought from other Member States that do not provide exemptions to the Fund.

Comments of the Board

36. The Board will keep in view the continued efforts of the Provident Fund secretariat to secure tax exemptions for its investments. The Provident Fund secretariat should continue to give high priority to the recovery of total outstanding withheld taxes, which amounted to $1.4 million as at 31 December 1999.

Recommendation in paragraph 63

37. The Administration should ensure that the internal audit manual is revised to take account of the changes in the Agency's operations.

Measures taken by the Administration

38. The Agency had obtained copies of the audit manuals used by the Office of Internal Oversight Services at United Nations Headquarters and by the United Nations Board of Auditors for comparison and incorporation of the most relevant and best practices. The revision had been scheduled to be completed by the end of 1998, but was rescheduled to the end of summer 1999 owing to the retirement of the head of the Agency's Internal Audit Office.

Comments of the Board

39. The audit manual had not been finalized as at April 2000. Only one chapter had been completed to date. The Administration should give priority attention to this exercise by ensuring that the manual is completed as soon as possible.

Recommendation in paragraph 66

40. In order to improve the efficiency of the internal audit staff, UNRWA should make budgetary provision for enhancing the training of such staff.

Measures taken by the Administration

41. The Administration had instituted significant changes to strengthen the audit operation. Three new audit positions had been approved. The Audit Office was continuing its discussions with the office of the Auditor-General of a Member State about participation in courses. One senior auditor had been sponsored to attend a special investigation training course at the Law Enforcement Academy of a Member State.

Comments of the Board

42. The implementation of the Board's recommendation, which is ongoing, will be reviewed in future audits.

Chapter III

Audit opinion and certification of the financial statements for the biennium ended 31 December 1999

Audit opinion

We have audited the accompanying financial statements, numbered 1 to 6, appendices 1 to 5 and the supporting notes of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the financial period ended 31 December 1999. The financial statements are the responsibility of the Commissioner-General. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Commissioner-General, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position at 31 December 1999 and the results of operations and cash flows for the period then ended in accordance with the Agency's stated accounting policies set out in note 2 to the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Further, in our opinion, the transactions of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and legislative authority.

In accordance with article XII of the Financial Regulations, we have also issued a long-form report on our audit of the Agency's financial statements.

(*Signed*) Sir John **Bourn**
Comptroller and Auditor General
of the United Kingdom of Great Britain
and Northern Ireland

(*Signed*) Osei Tutu **Prempeh**
Auditor-General of Ghana

(*Signed*) Celso D. **Gangan**
Chairman, Philippine Commission on Audit

30 June 2000

Certification of the financial statements for the biennium 1998-1999

22 March 2000

I certify that the appended financial statements of the United Nations Relief and Works Agency for Palestine Refugees in the Near East are correct.

(*Signed*) Subhash K. **Gupta**
Comptroller
United Nations Relief and Works Agency for Palestine
Refugees in the Near East Headquarters (Gaza)

Chapter IV

Financial statements for the biennium ended 31 December 1999

A. Financial statements

STATEMENT I

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

STATEMENT OF INCOME, EXPENDITURE AND CHANGES IN WORKING CAPITAL/FUND BALANCES
For the Biennium 1998-1999
(in USD)

BIENNIUM 1996-1997 ALL FUNDS	DETAILS	REGULAR BUDGET FUNDS			NON-REGULAR BUDGET FUNDS					TOTAL ALL FUNDS
		Cash	Inkind	Total	Peace Implementation Programme	Lebanon Appeal	Income Generation Programme	Other *	Total	
	INCOME									
	Contributions:									
486,909,260	Governments	370,575,409	27,050,492	397,625,901	36,184,346	761,912	-	2,143,912	39,090,171	436,716,071
111,747,239	Inter-Governmental Organizations	100,015,143	11,939,726	111,954,870	1,594,957	799,758	-	188,889	2,583,604	114,538,473
26,119,773	U.N. Organizations	24,864,130	1,628,267	26,492,397	-	-	-	132,714	132,714	26,625,111
1,260,901	Non-Governmental Organizations	431,466	434,394	865,860	518,250	-	-	255,319	773,570	1,639,430
1,112,198	Other Sources	32,102	1,214,808	1,246,910	-	-	-	-	-	1,246,910
626,149,371	**Total Contributions**	495,918,249	42,267,687	538,185,936	38,297,554	1,561,670	-	2,720,835	42,580,058	580,765,994
	Other Income									
6,259,700	Miscellaneous Income	2,083,707	169,350	2,253,057	-	-	3,966,019	-	3,966,019	6,219,076
(2,071,711)	Exchange Rate Gains/(Losses)	522,508	(886,616)	(364,108)	-	-	(568,706)	-	(568,706)	(932,814)
4,187,989	**Total other Income**	2,606,215	(717,266)	1,888,949	-	-	3,397,313	-	3,397,313	5,286,262
630,337,360	**TOTAL INCOME**	498,524,463	41,550,422	540,074,885	38,297,554	1,561,670	3,397,313	2,720,835	45,977,371	586,052,256
651,533,223	**EXPENDITURE**	(497,224,566)	(29,986,359)	(527,210,925)	(41,830,472)	(7,263,720)	(2,973,290)	(4,695,329)	(56,762,761)	(583,973,686)
(21,195,863)	**EXCESS / (SHORTFALL) OF INCOME OVER EXPENDITURE**	1,299,897	11,564,063	12,863,960	(3,532,868)	(5,702,050)	424,023	(1,974,494)	(10,785,390)	2,078,570
39,976,653	Working Capital/Fund Balances	(2,528,103)	2,917,655	389,552	37,219,021	7,786,906	-	(14,824,952)	30,180,975	30,570,527
8,346,355	Reclassification of Fund Balances (Statement 5)	(10,369,377)		(10,369,377)	319,981	(59,211)	655,466	1,093,922	2,010,159	(8,359,218)
48,323,008	Adjusted Opening Balances as at 01.01.1998	(12,897,480)	2,917,655	(9,979,825)	37,539,002	7,727,695	655,466	(13,731,030)	32,191,134	22,211,309
3,443,382	Prior Years Adjustments	7,507,477		7,507,477	(10,624,715)	-	892,081	2,408,985	(7,323,649)	183,828
30,570,527	**Working Capital/Fund Balances as at 31.12.1999**	(4,090,107)	14,481,718	10,391,611	23,381,420	2,025,645	1,971,569	(13,296,539)	14,082,095	24,473,706

* Other refers to Capital & Special Projects, Expanded Programme of Assistance, HQ Move to Gaza, and The European Gaza Hospital

STATEMENT 2

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

ASSETS AND LIABILITIES STATEMENT
As at 31 December 1999
(in USD)

As at 31.12.1997	PARTICULARS	REGULAR BUDGET FUNDS	NON-REGULAR BUDGET FUNDS					TOTAL ALL FUNDS
			Peace Implementation Programme	Lebanon Appeal	Income Generation Programme	Others *	Total	
	ASSETS							
24,604,428	Cash on Hand and in Banks	21,432,973	-	-	9,560,892	-	9,560,892	30,993,865
21,968,495	Accounts Receivable net of provision for uncollectable amounts	23,867,469	-	-	8,454,632	241,910	8,696,543	32,564,012
9,998,794	Prepaid expenses and advances to suppliers	386,228	-	-	15,223	-	15,223	401,451
1,911,686	Production Units Inventory	2,015,551	-	-	-	-	-	2,015,551
-	Due from (To) other Funds	(11,839,654)	23,547,415	1,996,999	(292,371)	(13,412,388)	11,839,654	(0)
2,380,841	Due from Area Staff Provident Funds	2,784,104	-	-	-	-	-	2,784,104
92,831	Food Commodities Loaned	-	-	-	-	-	-	-
335,592,150	Fixed Assets	363,768,154	-	-	-	-	-	363,768,154
(335,592,150)	Less: Fixed Assets Charged to Expenditure	(363,768,154)	-	-	-	-	-	(363,768,154)
60,957,075	TOTAL ASSETS	38,646,670	23,547,415	1,996,999	17,738,376	(13,170,477)	30,112,312	68,758,982
	LIABILITIES:							
10,336,475	Accounts Payable	10,066,553	165,995	(28,646)	1,705,729	126,061	1,969,139	12,035,692
1,026,616	Provision for Unliquidated Obligations	5,094,656	-	-	-	-	-	5,094,656
7,006,958	Provision for Goods-in-Transit	237,116	-	-	-	-	-	237,116
676,718	Provision for Carry Forwards	856,734	-	-	-	-	-	856,734
11,259,781	Income received in advance	12,000,000	-	-	-	-	-	12,000,000
30,386,548	TOTAL LIABILITIES	28,255,059	165,995	(28,646)	1,705,729	126,061	1,969,139	30,224,198
	RESERVES:							
30,570,527	Working Capital and Fund Balances	10,391,611	23,381,420	2,025,645	-	(13,296,539)	12,110,526	22,502,137
	Retained Earnings(Income Generation Programme)	-	-	-	1,971,569	-	1,971,569	1,971,569
	Accumulated Reserve (Income Generation Programme)	-	-	-	14,061,078	-	14,061,078	14,061,078
60,957,075	TOTAL LIABILITIES AND RESERVES	38,646,670	23,547,415	1,996,999	17,738,376	(13,170,477)	30,112,312	68,758,982

* Other refer to Capital & Special Projects, Expanded Programme of Assistance, HQ Move to Gaza, and The European Gaza Hospital

STATEMENT 3

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

CASH FLOW STATEMENT
For the Biennium 1998-1999
(In USD)

Surplus for the period (As Statement 1)	2,078,570	
Reclassification of Fund Balances (As Statement 5)	(8,359,218)	
Prior year Adjustments	183,828	
Cash Inflow From Operations		**(6,096,820)**
Add: Sources of funds		
Prepaid expenses and advances to suppliers	9,597,343	
Food Commodities Loaned	92,831	
Accounts Payable	1,699,217	
Provision for Unliquidated Obligations	4,068,040	
Provision for Carry Forwards	180,016	
Income received in advance	740,219	
Accumulated Reserve (Income Generation Programme)	14,061,078	
Total of Sources		**30,438,745**
Less: Applications of funds		
Accounts Receivable net of provision for uncollectable amounts	(10,595,517)	
Production Units Inventory	(103,865)	
Due from Area Staff Provident Funds	(403,263)	
Provision for Goods-in-Transit	(6,849,842)	
Total of Applications		**(17,952,487)**
Net Cash Inflow During the Period		**6,389,437**
Cash Balance as at 01.01.1998		24,604,428
Cash Balance as at 31.12.1999		30,993,865
Net Increase (Decrease) in Cash Balances		**6,389,437**

STATEMENT 4

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

BUDGET AND EXPENDITURE
For The Biennium 1998-1999
(in USD)

Details	Budget			Expenditure		
	Cash	In-Kind	Total	Cash	In-Kind	Total
REGULAR BUDGET						
Education Services						
Elementary Education	168,833,740	27,800	168,861,540	160,111,687	701,813	160,813,500
Preparatory Education	118,479,228	35,414	118,514,642	103,333,656	270,135	103,603,790
Secondary Education	435,351		435,351	84,062	212	84,274
Vocational & Prof. Training	26,791,524	521,541	27,313,065	27,631,548	597,285	28,228,833
Other Activities	9,204,931	958,392	10,163,323	8,879,105	785,698	9,664,803
Total Education Services	323,744,774	1,543,147	325,287,921	300,040,059	2,355,142	302,395,201
Health Services						
Medical Services	80,280,207	635,186	80,915,393	68,483,859	2,623,351	71,107,209
Environmental Sanitation	23,070,634	146,042	23,216,676	17,915,903	141,820	18,057,723
Nutrition & Supplementary Feeding	183,251	21,338,470	21,521,721	204,452	8,261,386	8,465,838
Special Environmental Activities	1,269,652		1,269,652	984,400		984,400
Total Health Services	104,803,744	22,119,698	126,923,442	87,588,614	11,026,557	98,615,170
Relief & Social Services						
Relief Services	44,531,663	35,684,293	80,215,956	27,634,411	24,896,543	52,530,954
Social Services	5,978,834	11,566	5,990,400	5,047,505	76,889	5,124,394
Total Relief Social Services	50,510,497	35,695,859	86,206,356	32,681,916	24,973,432	57,655,348
Operational Services						
Supply & Transport Services	28,550,339	43,866	28,594,205	26,811,368	(8,381,374)	18,429,994
Architectural & Engineering Services	16,907,250		16,907,250	9,809,903		9,809,903
Self Support Units	315		315	(256,692)		(256,692)
Total Operational Services	45,457,904	43,866	45,501,770	36,364,579	(8,381,374)	27,983,205
Common Services						
General Management	33,263,811	161,800	33,425,611	23,632,311	2,190	23,634,501
Administration	54,727,703	216	54,727,919	16,917,088	10,412	16,927,500
Total Common Services	87,991,514	162,016	88,153,530	40,549,399	12,602	40,562,001
Total Regular Budget	612,508,433	59,564,586	672,073,019	497,224,566	29,986,359	527,210,925
NON-REGULAR BUDGET						
Peace Implementation Programme	67,552,376		67,552,376	41,291,300	539,122	41,830,422
Lebanon Appeal	9,184,793		9,184,793	7,263,720		7,263,720
Income Generation Programme	3,399,718		3,399,718	2,973,290		2,973,290
Other Non-Regular Budget Activities						
Capital and Special Projects	4,008,420		4,008,420	2,554,750	68,078	2,622,828
Expanded Programme of Assistance	1,847,928		1,847,928	840,156		840,156
European Gaza Hospital	1,461,821		1,461,821	327,263	905,082	1,232,345
Total Other Non-Regular Budget Activities	7,318,169		7,318,169	3,722,169	973,160	4,695,329
Total Non-Regular Budget Activities	87,455,056		87,455,056	55,250,479	1,512,281	56,762,761
TOTAL ALL FUNDS	699,963,489	59,564,586	759,528,075	552,475,046	31,498,640	583,973,686

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

WORKING CAPITAL ACCOUNT
For the Biennium 1998-1999
(in USD)

Descriptions	Regular Budget	Non-regular Budget	Total
Working Capital Balance as at 31.12.1997	389,552	30,180,975	30,570,527
Add(deduct) Reclassification of Fund Balances:			
Funded Ongoing Activities Working Capital 31.12.1997	(1,739,069)	1,739,069	-
EMLOT deficit deducted in 1997 but not reflected in the General Ledger	18,675,094		18,675,094
PIP item included under GF in 1997	(319,994)	319,994	-
Surplus Reserves added back in 1997 but not reflected in the General Ledger	(8,300,000)	-	(8,300,000)
Lebanon Appeal 1997 Interest	-	(59,211)	(59,211)
Income Recorded as deficit in 1997 under EMLOT		10,307	10,307
EMLOT deficit at 31.12.1997	(18,685,408)		(18,685,408)
Total of Reclassifications	(10,369,377)	2,010,159	(8,359,218)
Prior Years Adjustments	7,507,477	(7,323,649)	183,828
Excess/ (Shortfall) of Income over Expenditure (Statement 1)	12,863,960	(10,785,390)	2,078,570
Working Capital Balance at 31.12.1999	10,391,612	14,082,095	24,473,707

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

STATEMENT 6

ASSETS AND LIABILITIES STATEMENT FOR OTHER NON-REGULAR BUDGET FUNDS

As at 31 December 1999
(in USD)

As at 31.12.1997	PARTICULARS	Capital And Special Projects	Expanded Programme of Assistance	Europian Gaza Hospital	HQ Move to Gaza	TOTAL
	ASSETS					
3,676,831	Accounts Receivable	-	-	241,910	-	241,910
(14,440,095)	Due from (To) other Funds	1,637,275	1,555,657	(11,444,058)	(5,161,261)	(13,412,388)
(10,763,264)	**TOTAL ASSETS**	**1,637,275**	**1,555,657**	**(11,202,148)**	**(5,161,261)**	**(13,170,477)**
	LIABILITIES					
2,142,148	Accounts Payable	9,750	(1,528)	117,840	-	126,061
23,013	Provision for Unliquidated Obligations	-	-	-	-	-
132,889	Provision for Goods-in-Transit	-	-	-	-	-
24,567	Provision for Carry Forwards	-	-	-	-	-
2,322,617	**TOTAL LIABILITIES**	9,750	(1,528)	117,840	-	126,061
(13,085,881)	Working Capital and Fund Balances	1,627,525	1,557,185	(11,319,987)	(5,161,261)	(13,296,539)
(10,763,264)	**TOTAL LIABILITIES AND RESERVES**	**1,637,275**	**1,555,657**	**(11,202,148)**	**(5,161,261)**	**(13,170,477)**

Annex

Notes to the financial statements

Note 1
The Agency's objectives

The mission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East is to provide services to Palestine refugees by enhancing socio-economic conditions within the Palestine refugee community through the provision of education, health and relief assistance and social services, infrastructure development projects and related activities within its area of operations.

Note 2
Summary of significant accounting policies

(a) The accounts of the Agency are maintained on a modified accrual basis. In accordance with the Agency's Financial Regulations and on the assumption of a going concern and principles of prudence, the accounts of the Agency are maintained on a cash basis with regard to contributions for its general operations and on an accrual basis regarding all other income and expenditure.

(b) At the request of donors, contributions received in the current period for a future financial period are treated as "income received in advance" in the accounting records.

(c) Using the donor's valuation, contributions in kind are recorded as income when they are received by the Agency.

(d) The Agency operates a system of fund accounting by which it maintains separate accounts for the regular budget, the project funds and the Provident Fund. the Agency's system of fund accounting provides a full identification of income and expenditure by purpose and the complete separation of the assets and liabilities of each fund. Contributions or allocations to funds other than the regular budget are assigned individual prefixes, which are maintained as distinct financial and accounting entities, with separate double-entry groups of accounts. Whereas the financial statements of the regular budget and project funds are included in the preceding pages, the financial statements of the Provident Fund form a separate section of the present report.

(e) Contributions to the regular budget, which are received without restriction regarding their use, can be used to finance projects for which special contributions are sought but not received if the financial situation permits or the Commissioner-General deems it appropriate.

(f) The accounts of the Agency are maintained in United States dollars. Transactions in other currencies are translated into United States dollars using the United Nations operational rate of exchange prevailing at the time of the transaction. At the end of a financial period, assets and liabilities not in United States dollars are reflected in United States dollars at the rate of exchange applicable at the end of the period. Gains or losses on exchange of currencies are treated as an addition to or deduction from income.

(g) Costs for the purchase of equipment and supplies, including construction costs, are charged to expenditure at the time the goods are received and paid for. As

a consequence, stocks or inventories are not included as assets, with the exception of production units, in any of the Agency's funds. Although the Agency's stocks and inventories are not treated as assets, stock records and strict inventory controls are maintained. The approximate value of the Agency's stocks and inventories as at 31 December 1999, based on historical cost, amounted to $11.9 million.

(h) The Agency has three self-supporting production units. These are the Embroidery Centre, the Carpentry Unit and the Contracting Section, all of which are located in Gaza. Up to 1987, those units were part of the General Fund. From 1988 they were set up as separate units to be governed by a new set of instructions for effective management control and performance assessment. Therefore, as an exception to the Agency's accounting policies, inventories of the production units are reported at cost under assets in the financial statements.

(i) The Agency's financial period consists of two consecutive calendar years. An interim closure of accounts is carried out at the end of the first year and a final closure at the end of the second year.

(j) A provision is made in the budget for separation payments made to staff members who leave the Agency during a financial period. However, reserves have not been established for separation costs for future years. Hence, such payments would be expected to be met from future income and operating reserves. In the event of the closing down of UNRWA, the accumulated termination benefits for area staff as from 31 December 1999 is estimated at around $144.7 million.

Notes applicable to the regular budget

Note 3
Income from other sources

This income represents miscellaneous contributions received in cash and in kind from individuals, charitable institutions, social bodies and merchants.

Note 4
Miscellaneous income

Miscellaneous income comprises income derived from the following:

	United States dollars
Bank interest	1 652 576
Income from production units	54 990
Sale of used vehicles and equipment	108 320
Share of profit on insurance policies	47 868
Sundries	389 303
Total	**2 253 057**

Note 5
Accounts receivable

Accounts receivable reported in statement 2 include the following items:

	United States dollars
Personal account of staff members	1 968 665
Refundable utility deposits	53 203
VAT due from Palestinian Authority (PA)	19 364 862
Customs and port charges due from PA	4 175 947
Claims against other governments	976 046
Filed claims against governments	12 234 390
Unfiled claims against governments	332 170
Miscellaneous claims and receivables	2 596 962
Subtotal	**41 702 245**
Less: Provision for uncollectable amounts	(17 834 776)
Total	**23 867 469**

Note 6
Production units inventory

Production unit inventories (see note 2 (h)) consist of the following:

	United States dollars
Raw material	315 458
Work in progress	37 663
Finished goods	1 662 430
Total	**2 015 551**

Note 7
Due from Area Staff Provident Fund

The amount due from the Area Staff Provident Fund consists of the following:

	United States dollars
Main Provident Fund	2 884 749
Post-Employment Fund	10 060
Due to Austrian Schilling Fund	(110 705)
Total	**2 784 104**

Note 8
Fixed assets

Fixed assets, which are expended at the time of purchase, are included in statement 2 and comprise the following:

	United States dollars
Land owned by UNRWA	219 049
Buildings	298 456 229
Vehicles	17 749 843
Equipment	47 343 033
Total	**363 768 154**

Note 9
Accounts payable

Accounts payable include:

	United States dollars
Accounts payable	8 412 453
Deposits received	381 340
Funds held for other organizations	487 534
Unpaid cheques, salaries, wages, etc.	785 226
Total	**10 066 553**

Note 10
Provision for unliquidated obligations/goods in transit

The provisions for unliquidated obligations and goods in transit are provisions made in prior years but for which the goods or services have not yet been received.

Note 11
Provision for carry-forwards

The provision for carry-forwards is a provision for items budgeted in the current year for which justification has been given that these items are charged to the current year's expenditure.

Note 12
Contingent liabilities

A number of personnel appeals that could involve payment of back wages and entitlements are pending with the respective appeals boards of the international and area staff as well as with the United Nations Administrative Tribunal in New York.

Note 13
Reclassifications

Certain accounts in the biennium 1998-1999 were reclassified to comply with the recommendations made by the Board of Auditors and to improve the presentation of the financial statement.

APPENDIX 1

B. Appendices to the financial statements

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

REGULAR BUDGET
EXPENDITURE
For The Biennium 1998-1999
(in USD)

Programme	Cash	in Kind	Total
EDUCATION SERVICES			
General Education			
Elementary Education	160,111,687	701,813	160,813,500
Preparatory Education	103,333,656	270,135	103,603,790
Secondary Education	84,062	212	84,274
Other General Educational Services	8,879,105	785,698	9,664,803
Vocational & Prof. Training			
Gaza Vocational Training Center	3,688,694	36,434	3,725,128
Siblin Training Center	3,699,373	20,148	3,719,520
Damascus Vocational Training Center	1,701,428	76,994	1,778,422
Wadi Seir Training Center	3,784,962	29,290	3,814,252
Amman Training Center	3,179,104	29,320	3,208,425
Kalandia Vocational Training Center	3,160,050	37,340	3,197,391
Ramallah Men Training Center	2,612,425	26,614	2,639,038
Ramallah Women Training Center	4,894,481	49,506	4,943,987
Other Vocational & Professional Training Costs	911,031	291,639	1,202,671
Total Education Services	**300,040,059**	**2,355,142**	**302,395,201**
HEALTH SERVICES			
Medical Services			
Pharmacy Services	1,066,942	16,380	1,083,322
Laboratory Services	2,642,707	-	2,642,707
Health Services	37,510,063	2,190,374	39,700,437
Family Health	3,550,386	1,766	3,552,152
Mental Health	433,611	-	433,611
Dental Care	3,147,339	920	3,148,259
School Health Services	753,359	-	753,359
Health Education	414,602	-	414,602
General Hospitals	11,343,445	7,537	11,350,982
Qalqilia Hospital	1,915,454	48,733	1,964,186
Augusta Victoria Hospital	1,987,031	-	1,987,031
Administration	3,541,517	357,641	3,899,158
Other Costs	177,404	-	177,404

APPENDIX 1

Programme	Cash	in Kind	Total
Environmental Sanitation			
Surface Water Drainage	258,959	-	258,959
Refuse and Sewage Disposal	15,843,754	337	15,844,091
Water Supply	864,947	141,483	1,006,430
Insect and Rodent Control	191,485	-	191,485
Administration	721,227	-	721,227
Maintenance of Premises	35,925	-	35,925
Other Costs	(394)	-	(394)
Nutrition and Supplementary Feeding	204,452	8,261,386	8,465,838
Environmental Activities	984,400	-	984,400
Total, Health Services	**87,588,614**	**11,026,557**	**98,615,170**
RELIEF AND SOCIAL SERVICES			
Relief Services			
Special Hardship Cases	17,115,798	24,746,153	41,861,951
Quality Control	65,258	3,637	68,895
Eligibility and Registration	2,107,205	1,187	2,108,392
Camp Services	202,545	145,468	348,013
Administration	6,665,728	98	6,665,826
Ration Distribution Costs	1,466,157	-	1,466,157
Other Costs	11,719	-	11,719
Social Services			
Social Case Work	990	592	1,582
Community Development	28,627	17,996	46,623
Institutionalized Training and Care	280,175	-	280,175
Youth Activities	286,916	875	287,791
Women's Activities	1,298,874	47	1,298,921
Embroidery Centre	(1,404)	-	(1,404)
Community Centers for the Disabled	460,092	-	460,092
General, Protection & Emergency Services		-	981,262
Income Generation Projects	1,028,429	-	1,028,429
Other Costs	55,949		55,949
Visually Impaired	627,596	57,379	684,975
Total, Relief and Social Services	**32,681,916**	**24,973,432**	**57,655,348**
OPERATIONAL SERVICES			
Supply and Transport Services			
Purchase of Supplies for Inventory	5,268,006	(8,439,304)	(3,171,298)
Supply Warehousing	4,163,152	21,418	4,184,570
Vehicle Maintenance	1,976,236	-	1,976,236
Passenger Transport	7,470,934	(10)	7,470,924
Freight Transport	2,916,979	36,357	2,953,336
Port Operations	(169,324)	-	(169,324)

APPENDIX 1

Programme	Cash	in Kind	Total
Administration	4,833,274	166	4,833,440
Other Costs	352,110		352,110
Architectural & Engineering Services	9,809,903		9,809,903
Self Supporting Units	(256,692)		(256,692)
Total, Operational Services	**36,364,579**	**(8,381,374)**	**27,983,205**
COMMON SERVICES			
General Management			
Commissioner General's Office	2,595,780		2,595,780
Field Office Administration	4,928,579	2,190	4,930,769
Area Administration	2,845,764		2,845,764
Camp Services Administration	1,414,817		1,414,817
Public Information Administration	973,386		973,386
External Relations	1,826,445		1,826,445
Policy Analysis Unit	597,349		597,349
Internal and External Audit Services	1,676,497		1,676,497
Legal Services	1,773,401		1,773,401
Protective Services	4,124,364		4,124,364
New York Liaison Office	628,634		628,634
Cairo Office	84,883		84,883
Other Costs	162,412		162,412
Administration			
Human Resources	4,320,068		4,320,068
Administration & General Services	7,561,823	432	7,562,254
Finance Services	6,084,506		6,084,506
Information System Office	3,708,556	9,980	3,718,536
Information System Strategy	108,385		108,385
Joint Appeal Board	24,345		24,345
Income From Programme Support Costs *	(5,606,675)		(5,606,675)
Other Costs	716,082		716,082
Total, Common Services	**40,549,399**	**12,602**	**40,562,001**
GRAND TOTAL	**497,224,566**	**29,986,359**	**527,210,925**

* Represent the share of common costs from projects funds and is computed at 5% of donation for supply projects and 12% for construction projects, as agreed with donors

APPENDIX 2

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

STATEMENT OF INCOME, EXPENDITURE AND FUND BALANCES BY PROJECT
For the Biennium 1998-1999
(in USD)

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Regular Budget Fund										
General Fund: Contribution	471,748,450	30,327,962	502,076,412	466,280,791	18,534,872	484,815,663	17,260,749	(8,240,756)	5,692,477	14,712,470
Other Income	2,606,215	(717,266)	1,888,949				1,888,949			1,888,949
GF Sub-total	474,354,665	29,610,696	503,965,361	466,280,791	18,534,872	484,815,663	19,149,698	(8,240,756)	5,692,477	16,601,419
Funded-On-Going Activities:										
Humanitarian Aid to Palestinian in Lebanon								(133,952)	133,952	
Medical Supplies to refugees in Lebanon 1								(116,164)	116,164	
Medical Supplies to Palestine Refugees, Lebanon 2								2,959	(2,959)	
Cash Distribution in Gaza, West Bank, Syria, Jordan and Lebanon	14,688,772		14,688,772	15,162,468		15,162,468	(473,696)	439,010	400,169	365,484
Hospitalization Assistance to Refugees in Lebanon (ECHO)	149,573		149,573				149,573	(133,029)	116,544	

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Improvement of Maternal Health Care, Lebanon	409,450		409,450	409,450		409,450	-	378		378
In-Kind Donations of Basic Commodities - EC	-	2,299,650	2,299,650	-	2,316,172	2,316,172	(16,521)	-	-	(16,521)
Health Activities - EC	4,485,754	9,640,010	14,125,763	5,575,160	9,135,248	14,710,407	(584,644)	(1,475,827)	13,552	(2,046,919)
Mobile Health Team, Gaza	-	-	-	-	-	-	-	(1,054,310)	1,054,310	-
Qalqilia Hospital, West Bank	-	-	-	-	-	-	-	(556)	556	-
Gaza Centre for the Blind	2,463	66	2,530	661,120	66	661,187	(658,657)	(626,802)	379	(1,285,080)
Running Costs, Beit Hanoun and Ma'an Health Centres-Gaza	-	-	-	485,294	-	485,294	(485,294)	569,749	91,708	176,163
Ramallah Men's Training Centre and Women's Training Centre	2,878,138	-	2,878,138	7,492,980	-	7,492,980	(4,614,841)	592,579	23,099	(3,999,164)
University Scholarships - Aramco	-	-	-	-	-	-	-	(246,266)	246,266	-
Mobile Dental Unit - Jordan Valley	-	-	-	-	-	-	-	(25,609)	25,609	-
Dental Unit - Amman Poly Clinic	-	-	-	-	-	-	-	(31,059)	31,059	-
Upgrading Vocational Training Centre Gaza	-	-	-	-	-	-	-	(39,428)	(21,429)	-
Gaza Vocational Training Centre - Italy	1,129,944	-	1,129,944	1,129,944	-	1,129,944	-	-	-	-
FOA Sub Total	23,744,094	11,939,726	35,683,820	30,916,415	11,451,486	42,367,901	(6,684,080)	(2,008,531)	2,077,952	(6,614,660)

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Funded by General Fund	-		-	6,510		6,510	(6,510)	269,462	(262,952)	-
Procurement of Medical Supplies for Gaza and West Bank (ECHO)	425,704		425,704	20,852		20,852	404,852	-	-	404,852
Total Regular Budget	498,524,463	41,550,422	540,074,885	497,224,566	29,986,359	527,210,925	12,863,960	(9,979,825)	7,507,477	10,391,611
Non-Regular Budget Funds										
Peace Implementation Programme:										
Gaza Waste Water Project(Gaza Waste Water Project) - USAID	-		-	-		-	-	5,304,000	-	5,304,000
GAZA Waste Water Project- Other Costs -UNRWA Activities (USAID)	-		-	-		-	-	(438,844)	6,085	(432,759)
Procurement of Maintenance Equipment (USAID)	-		-	(377)		(377)	377	(2,944,955)	(135,000)	(3,079,577)
Sewer and Storm Drainage Clearing and Rehabilitation(USAID)	-		-	-		-	-	(1,698,245)	-	(1,698,245)
Repatriation of Canada Camp Refugees	76,786		76,786	391,988		391,988	(315,202)	319,981	-	4,779
Medical Supplies to PA through UNRWA (USAID)	-		-	-		-	-	4,738	(4,738)	-

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Equipment, Materials and literacy courses Women Programme Centre (WPC) Gaza				3,594		3,594	(3,594)	3,807		213
Lebanon Polyclinic - French Donation				6,090		6,090	(6,090)	6,399		309
Radiological and Ultrasound Equipment at Khan Younis Health Centre				60,117		60,117	(60,117)	161,015		100,898
Health Education Program Prevention of HIV/AIDS				55,705		55,705	(55,705)	62,697		6,992
Construction and Equipping of Balata Elementary / Preparatory School in West Bank	340,371		340,371	994,950		994,950	(654,579)	712,229		57,650
Post of Unified Registration System (URS) Coordinator	240,855		240,855	188,927		188,927	51,928			51,928
Construction of Educational Facilities in Jordan	1,746,022		1,746,022	1,552,689		1,552,689	193,333			193,333
Expansion of Qalqilia Hospital, West Bank	1,786,474		1,786,474				1,786,474			1,786,474
Various Projects for 1997				1,029,349		1,029,349	(1,029,349)	2,000,000		970,651
Shelter Rehabilitation project within camps in West Bank, Gaza and Jordan	691,991		691,991	687,881		687,881	4,110			4,110
Micro-enterprise credit and Solidarity Group Lending Programme, Gaza	236,397		236,397	236,397		236,397				
Purchase of Textbooks for Schools and Libraries, West Bank and Gaza	592,615		592,615	587,391		587,391	5,224			5,224
Construction and Furnishing of Schools, Gaza and Lebanon	1,645,252		1,645,252	808,737		808,737	836,515			836,515
Construction of Beirut Polyclinic, Lebanon	98,575		98,575	98,575		98,575				
Clinical Laboratory Equipment for Shatila and Bud El Barajneh camps, Lebanon	49,287		49,287	32,528		32,528	16,760			16,760

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Shelter Rehabilitation for hardship cases in Beddawi camp, Lebanon	119,713		119,713	110,099		110,099	9,615			9,615
Humanitarian Assistance in Jordan for community-based rehabilitation and integration of Palestinian Refugees with disabilities, Jordan	208,950		208,950	204,446		204,446	4,504			4,504
Construction and furnishing of Aqrabanieh School-Second Phase, West Bank	319,043		319,043	297,488		297,488	21,555	-		21,555
Improvement of Computer Skills for Palestinian Refugees at Vocational Training Centers, All Fields	2,300,000		2,300,000	814,931		814,931	1,485,069			1,485,069
Provision of Carpentry Equipment for Damascus Training Centre, Syria	170,000		170,000	-		-	170,000			170,000
School construction and expansion programme Gaza and West Bank	3,016,648		3,016,648	1,163,897		1,163,897	1,852,751			1,852,751
Epidemiological, reproductive health counseling and management training	582,956		582,956	263,675		263,675	319,281			319,281
Reconstruction of Homes, Community Rehabilitation centre, Syria	98,010		98,010	57,108		57,108	40,902			40,902
Remedial Education Programme Elementary Schools, Jordan	68,093		68,093	26,448		26,448	41,645			41,645
Improvement Drainage of Schools and Maintenance, Gaza and West Bank	249,477		249,477	249,477		249,477				
Expansion of Mashierfeh and South Baqa'a Health Center, Jordan and equipment for the industrial electronic training course in Ramallah men's training centre, West Bank	35,000		35,000	-		-	35,000			35,000
Construction and Equipping of Jabalia "B" Boys School, Gaza	1,000,000		1,000,000	-		-	1,000,000			1,000,000
Hospitalization in Lebanon and Construction of Khan Danoun Health Center, Syria	413,333		413,333	210,015		210,015	203,318			203,318
Establishing and Developing Libraries at Yarmouk, Hama and Lattakia Women's Programme Centers	7,186		7,186	7,180		7,180	6			6
Group Guaranteed Lending Scheme, Syria	24,580		24,580	24,580		24,580	-			

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Khan Dannoun Sewage Conveyor Line, Syria	431,827		431,827	62,267		62,267	369,560			369,560
Upgrading and Development of the Industrial Electronics Course, at Gaza Training Center	133,532		133,532				133,532			133,532
Educational Equipment, Special Textbook and Teaching Aid for Blind and Deaf pupils in Jordan	20,000		20,000	2,830		2,830	17,170			17,170
Procurement of Equipment for the Gaza Training Center	99,975		99,975				99,975			99,975
"Construction of Women's Programme Center at Jalazone Camp, Jerusalem Area" and "Equipping and Furnishing the Toy Library at Kalandia Community rehabilitation Center"	20,000		20,000	7,480		7,480	12,520			12,520
"Al Shauka Elementary Co-education School, Gaza", "Abu Dees Co-education School, Jerusalem" and "Replacement of the Nur-Shams Girls School, West Bank"	1,896,739		1,896,739	1,290		1,290	1,895,449			1,895,449
Promoting Tolerance Education, Conflict resolution and basic human rights in UNRWA schools, Gaza and West Bank	840,128		840,128				840,128			840,128
Various Projects, Syria				6,532		6,532	(6,532)	460,475		453,943
Feasibility Studies for improving water supply in Syria	175,815		175,815	354		354	175,461			175,461
Furniture and Equipment for Women's Programme Centre, Jordan				25,631		25,631	(25,631)	28,316	1,219	3,904
Establishment of a youth activities centre and a CRC at Nahr El Bared and upgrading of equipment at the mechanical section of the Siblin Training Centre, Lebanon				480,411		480,411	(480,411)	659,126		178,715
Construction of Al-Mazzah School and 12 classrooms in Husseineh	168,611		168,611	249,603		249,603	(80,992)	81,056		64
Support to Small Scale Enterprises, West Bank	187,321		187,321	254,574		254,574	(67,253)	279,330	(211,000)	1,077
Solidarity Group Lending & Micro Enterprise Credit				7,309		7,309	(7,309)	634,110	(626,802)	

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
School Construction and Shelter Rehabilitation in Gaza and West Bank	2,134,561		2,134,561	1,591,969		1,591,969	542,592	(542,426)	5,710	5,875
Shelter Rehabilitation, Gaza	288,705		288,705	1,592,134		1,592,134	(1,303,430)	1,353,598		50,169
Construction and equipping of Classrooms at Rafah Preparatory Girls School	-		-	43,303		43,303	(43,303)	43,571		268
Hiring of Teachers, West Bank	-		-	105,508		105,508	(105,508)	106,048		540
Construction and furnishing of Preparatory and secondary schools, Lebanon	1,062,797		1,062,797	1,854,300		1,854,300	(791,503)	830,750		39,247
Micro-Enterprise Credit, Gaza	138,159		138,159	159,365		159,365	(21,206)	136,911	(115,704)	
Provision of Rehabilitation Aid to Youth & Children with disabilities, Lebanon	-		-	66,807		66,807	(66,807)	66,806		-
Various PIP Projects, All Fields - 1996	-		-	2,066,835		2,066,835	(2,066,835)	3,759,164	1,819	1,694,148
Comprehensive Maintenance of 2 Schools, Jordan	-		-	-		-	-	-		-
Construction and Equipment of Classrooms at Hashimi School, Jordan	-		-	80,349		80,349	(80,349)	80,349		-
Construction and Equipment of 6 Classrooms and 2 Specialized Rooms, Beit Ula Girls School, West Bank	-		-	403,236		403,236	(403,236)	418,900		15,664
Solidarity Group Lending Programme, Gaza	-		-	8,185		8,185	(8,185)	130,899	(122,713)	
Hiring Additional Teachers in the West Bank and Gaza	-		-	331,999		331,999	(331,999)	332,674	91	766
Construction of New Facilities at Jaber Atleet School, Lattakia, Syria	-		-	365		365	(365)	390,002		389,637
Construction of 3 New Classrooms at Kawkab Ja'ouneh School, Yarmouk Syria	-		-	57,515		57,515	(57,515)	57,685	(170)	(0)

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Replacement and Upgrading of Equipment and Extension of Workshop at Siblin Training Centre, Lebanon	-		-	205,376		205,376	(205,376)	279,678		74,302
Provision of School Desks to Cater for Expanding Population, Lebanon	-		-	3,499		3,499	(3,499)	3,637		138
Integration of Visually Impaired Children running cost, Lebanon	8,562		8,562	8,914		8,914	(352)	5,553		5,201
Care for Destitute Aged running cost, Lebanon	21,750		21,750	17,487		17,487	4,263	10,387	55	14,705
Preventive Epidemiology Reproductive Health and Management Training for UNRWA and Ministry of Health	-		-	114,614		114,614	(114,614)	114,614		
Small Scale Enterprise Lending and Solidarity Group Lending, Gaza	-		-	48,270		48,270	(48,270)	1,786,717	(1,738,447)	
Solidarity Group Lending and Micro Enterprise Lending, Gaza	-		-	4,481		4,481	(4,481)	120,028	(115,455)	92
Upgrading of Nairobi Camp Library, Syria (Dt.Stift.)	-		-					15,470		15,470
Hospitalization in Lebanon(96/97)- Japan	-		-	6,140		6,140	(6,140)	6,140		
Provision of Medical Supplies for Lebanon - Japan	-		-	2,858		2,858	(2,858)	2,860	(3)	
Shelter Repair in Jordan - Japan	-		-	835		835	(835)	835		
Construction and Maintenance of Pathways & Drains in camps, Jordan	-		-	371,976		371,976	(371,976)	372,099	(123)	
Emergency Employment Creation Programme, Gaza	-		-	2,748		2,748	(2,748)	3,009	(261)	
Experts for the Environmental Affairs - Gaza	-		-					25,434	(25,434)	
Various Projects - Gaza - USAID	-		-	-		-	-	(77,046)	77,046	

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Comprehensive Maintenance of 15 Schools, reconstruction and comprehensive Maintenance of maternal-child health clinic & upgrading of equipment, Gaza				23.619		23.619	(23.619)	113.376	(66)	89.690
Maintenance and Renovation Activities for UNRWA premises, Gaza								1.027		1.027
Emergency Shelters Rehabilitation, Gaza and West Bank								(105.662)	105.662	
Construction of Four Schools, Gaza	47.710		47.710	579.450		579.450	(531.741)	532.106	(366)	
Shelter Rehabilitation, Lebanon				15.361		15.361	(15.361)	15.359	2	
Various Health and Education Projects, Gaza and West Bank				(181)		(181)	181	73.208	434	13.823
Provision of refuse Collection Compactor Trucks & Feasibility Study for Sewerage Drainage improvement, West Bank/Shelter Rehabilitation, West Bank/Upgrading of Garbage Depository Sites & Replacement of Garbage Containers, Gaza self-help Shelter Re-roofing				106.319		106.319	(106.319)	1.379.784		1.273.464
Clinical Supervisors Course Gaza & WEST BANK (Apheda)										
Establishment of a Community Centre at Shu'fat, West Bank				106.432		106.432	(106.432)	176.440	(41.882)	28.125
Support to Small and Medium Scale Enterprises, Gaza & West Bank								448.768	(440.633)	8.135
Shelter Rehabilitation, Lebanon/ Feasibility Study for Sewerage & Drainage, Jericho Construction of 5 classrooms at Jabar Atieet School & Construction of 15 classrooms at Jerusalem, Yasour School, Syria				3.751		3.751	(3.751)	275.081	(48)	271.282
Comprehensive Maintenance of Schools, Gaza/Construction & Equipping of a School, West Bank				167.516		167.516	(167.516)	496.452	(318.487)	10.447
Aerial Mapping of the Middle Camps, Gaza				174.540		174.540	(174.540)	707.230	(497.969)	34.721

APPENDIX A

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Medical Aid for Palestinians (MAP),UK - Gaza	-		-	-		-	-	2,345	180	2,525
Sbeineh health Centre, Upgrading Yarmouk health Centre & Expansion of Yarmouk Mother & Child Centre, Syria/Construction Of Sukhneh School, Jordan Shelter Rehabilitation , Lebanon	-		-	26,026		26,026	(26,026)	31,393	(1,797)	3,571
Upgrading of Equipment at Rafah Health Centre	-		-	280		280	(280)	297		17
Provision of Medical Supplies for Ministry of Health, Gaza & West Bank	-		-	5,322		5,322	(5,322)	93,750	(14,624)	73,804
Various Projects in Gaza and West Bank	5,259,147		5,259,147	4,416,124		4,416,124	843,022	(1,141,391)	2,149	(296,220)
Construction of a Diesel Workshop at Kalandia Training Centre , West Bank	63,043		63,043	-		-	63,043	(63,043)		-
Shelter Rehabilitation, Lebanon	-		-	2,893		2,893	(2,893)	2,893		-
Various Projects for Refugees, Jordan	-		-	337,836		337,836	(337,836)	339,879	396	2,439
Upgrading of 3 schools in Yarmouk Camp, Syria (USA)	-		-	-		-	-	54		54
Upgrading the Slow Learners Centres in Jordan	-		-	3,238		3,238	(3,238)	3,808		571
Beach Camp Coastal Defense, Gaza	172,606		172,606	264,995		264,995	(92,389)	1,674,133	(27,917)	1,553,827
Development of Women's Programme Centre Khan Eshieh Camp, Syria (D/Fluc)	-		-	-		-	-	(359)	359	-
Construction and Equipping of Women's Programme Centre, Rafah	-		-	48,563		48,563	(48,563)	50,473	(22)	1,888
Income Generating Projects, Gaza & West Bank	-		-	1,975		1,975	(1,975)	1,233,825	(1,231,850)	-
Health, Education & Relief Project	3,948,726		3,948,726	3,777,512		3,777,512	171,214	(875,990)	27,302	(677,474)

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Establishment of a mother & Child Health Centre at Zarqa, Jordan	-		-	61,878		61,878	(61,878)	61,887	570	580
Construction and Equipping of Bureij Women's Programme Centre, Gaza	-		-	34,767		34,767	(34,767)	33,961	806	
Various Projects, Agency Wide	-		-	814,975		814,975	(814,975)	1,030,244	(176,667)	38,601
Asphalting of roads & pathways - Kalandia Training Centre West Bank - (Italy)	13,822		13,822	-		-	13,822	20,619		34,441
Public Health Laboratory West Bank & Polyclinic Lebanon	-		-	1,086,771		1,086,771	(1,086,771)	2,397,124		1,310,352
Construction of Two Health Centres, Gaza	222,000		222,000	8,588		8,588	213,412	(121,674)	(91,738)	-
Construction & Equipping of WOMEN'S PROGRAMME CENTRE at Qabr Essit Syria	-		-	54,190		54,190	(54,190)	70,622	-	16,432
Construction & Equipping of 4 Schools in Gaza	-		-	682,118		682,118	(682,118)	967,546	33	285,461
Various School Construction Projects in West Bank and Gaza	-	539,122	539,122	5,315	539,122	544,436	(5,315)	531,627	543,637	1,069,949
Construction & Equipping of many centres in Lebanon and Jordan	-		-	19,811		19,811	(19,811)	32,975	300	13,463
Various Projects in Jordan	-		-	7,367		7,367	(7,367)	18,172	(71)	10,734
Deutsche Stift. fuer UNO Fluchtl. WOMEN'S PROGRAMME CENTRE - Jordan	-		-	54		54	(54)	634		580
Services Rendered to the Palestinian Authorities	-		-	-		-	-	13,187		13,187
Construction & Equipping of 5 Women's Programme Centre in Gaza	-		-	-		-	-	4,773	(4,773)	-
Construction & Equipping of Additional Classrooms, Gaza	-		-	7,272		7,272	(7,272)	43,462	(36,190)	-

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Construction & Equipping of 22 Classrooms, Gaza	-		-	16,671		16,671	(16,671)	32,065	1,377	16,771
Solidarity Group Lending Program, Gaza	-		-	3,025		3,025	(3,025)	145,638	(142,613)	-
Shelter Rehabilitation, Gaza	-		-	92,336		92,336	(92,336)	101,253	-	8,916
Classrooms & Laboratory at Yazur school, West Bank. (Germany)	-		-	6,772		6,772	(6,772)	87,344	-	80,572
Small & Micro Enterprise Training, Gaza	-		-	140,286		140,286	(140,286)	143,906	453	4,073
Construction of the internal Sewerage System in Mieh Mieh Camp, Lebanon	45,987		45,987	102,285		102,285	(56,298)	58,150	(1,852)	-
Rehabilitation of Water Supply, Dabyeh, Lebanon	7,677		7,677	22,400		22,400	(14,723)	16,387	(1,664)	-
Construction of 18 Classrooms at schools in West Bank	-		-	90,132		90,132	(90,132)	146,614		56,482
Repatriation of refugees from Canada Camp	1,137,205		1,137,205	1,022,942		1,022,942	114,263	706,313	737	821,313
Upgrading of Schools in West Bank	-		-	28,488		28,488	(28,488)	30,391	18,645	20,548
Various Projects, Agency Wide (1994 Contribution)	-		-	210,227		210,227	(210,227)	781,199	(453,740)	117,232
Construction of Public Health Laboratory, West Bank & Polyclinic Lebanon	262,272		262,272	423,475		423,475	(161,203)	1,852,543	(1,408,182)	283,158
Upgrading of Joubar Health Centre, Syria (Germany)	-		-	-		-	-	(10,572)	10,572	
Various PIP projects in Lebanon, Syria & Jordan	97,513		97,513	485,386		485,386	(387,873)	656,484	(244,591)	24,020
Construction & furnishing of Schools in Beddawi Camp, Lebanon	-		-	14,299		14,299	(14,299)	14,318	-	19

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Various Projects in Gaza and West Bank	197,311		197,311	609,631		609,631	(412,320)	3,542,370	(3,130,050)	
Various Projects in Jordan (Canada)	-		-					(201)	201	
Shelter Rehabilitation in Gaza, (Sweden)	-		-					138,094		138,094
Graduate Training Programme	-		-					3,510		3,510
Diesel Workshop at Kalandia Training Centre, West Bank	50,000		50,000				50,000	(50,000)		
Construction of sewerage & drainage system in Beach Camp	1,809,817		1,809,817	2,118,872		2,118,872	(309,055)	310,289		1,234
Construction of Community Rehabilitation Centre & Kindergarten, Syria	-		-	14,750		14,750	(14,750)	19,629		4,879
Expansion of Family Health Programme, Gaza	331,409		331,409	332,809		332,809	(1,400)	43,113	308	42,019
Renovation works at Sibiin Training Centre, Lebanon	-		-	56,783		56,783	(56,783)	91,791		35,008
Various Projects in Jordan and Syria	-		-	54,778		54,778	(54,778)	339,969	(241,427)	3,388
Various PIP projects, for Gaza, Jordan and Syria	-		-	951,162		951,162	(951,162)	1,233,541	(708)	282,537
Various Projects in Jordan and upgrading of SIBLIN TRAINING CENTRE Lebanon	-		-	221,560		221,560	(221,560)	255,541	624	34,604
Income Generation Programme, Gaza	12,302		12,302	18,299		18,299	(5,997)	242,339	(236,342)	
Sewerage Projects in 8 Camps, Lebanon	267,016		267,016	861,867		861,867	(94,851)	429,080		334,229
Construction of Pathways in Husn Camp	-		-	4,658		4,658	(4,658)	5,291	(633)	

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Shelter Rehabilitation, Jordan				6,518		6,518	(6,518)	7,129	(611)	
Computer Laboratory at Waggas School, Jordan				1,173		1,173	(1,173)	9,630	(9,457)	
Sewerage & drainage Works at Deir El Balah, Gaza	66,775		66,775	623,795		623,795	(557,021)	576,342		19,321
Total PIP	37,758,432	539,122	38,297,554	41,291,300	539,122	41,830,422	(3,532,868)	37,539,002	(10,624,715)	23,381,420
Lebanon Appeal										
Shelter Rehabilitation in Beddawi Camp , Lebanon Appeal	-		-	119,996		119,996	(119,996)	362,319		242,323
Hospitalization Services , Lebanon Appeal	-		-	1,800,000		1,800,000	(1,800,000)	1,800,000		
Purchasing of Medical Supplies from PRCS Lebanon Appeal	-		-	200,000		200,000	(200,000)	200,000		
Reconstruction, equipping and Furnishing of Sammou School , Lebanon Appeal	-		-	751,857		751,857	(751,857)	804,272		52,415
Mechanization of Solid Waste Collection and Disposal System, Lebanon Appeal	-		-	656,972		656,972	(656,972)	745,315		88,343
Construction and Furnishing of Rashidiah Secondary School in Rashidieh Camp, Lebanon Appeal. Short term courses at Sibiin Training Centre , Lebanon Appeal	120,000		120,000	218,312		218,312	(98,312)	1,033,000		934,688
Upgrading Equipment for Electric/Electronic Courses at Sibiin Training Centre, Lebanon Appeal	-		-	282,673		282,673	(282,673)	467,000		184,327
Hospitalization Services, Lebanon Appeal	-		-	999,989		999,989	(999,989)	1,130,000		11
Support to Secondary Education , Lebanon Appeal	104,571		104,571	1,380,402		1,380,402	(1,275,831)	1,315,789		39,959

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Medical Assistance to Refugee in Lebanon, Lebanon Appeal	437,130		437,130	437,130		437,130				
Procurement of Text Books (New Study Plan), Lebanon Appeal	162,341		162,341	162,341		162,341				
Construction, Equipping and Provision of Medical Supplies for Rashidia Health Centre ,Lebanon Appeal	277,494		277,494	199,155		199,155	78,339			78,339
Provision of Medical Supplies for Lebanon Field, Lebanon Appeal	97,506		97,506	-		-	97,506	-		97,506
Shelter Rehabilitation in all camps , Lebanon Appeal	362,627		362,627	54,893		54,893	307,734			307,734
Total Lebanon Appeal	**1,561,670**	-	**1,561,670**	**7,263,720**	-	**7,263,720**	**(5,702,050)**	**7,727,695**	-	**2,025,645**
Income Generation Programme:										
Poverty Alleviation Accumulated Fund	21,236		21,236	-		-	21,236	-	-	21,236
Revolving Fund Account - (Loan account)	3,376,076		3,376,076	2,973,290		2,973,290	402,786	655,466	892,081	1,950,333
Total IGP	**3,397,313**	-	**3,397,313**	**2,973,290**	-	**2,973,290**	**424,023**	**655,466**	**892,081**	**1,971,569**

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PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Other Non-Regular Budget Funds:										
Capital and Special Projects:										
Humanitarian Assistance to Palestinians in West Bank and Gaza - Food Commodities	88,889		88,889	474,095		474,095	(385,206)	363,636	21,569	
Construction and equipping of Aqrabaneh School, West Bank	100,000		100,000				100,000	(97,833)	(2,167)	
Income Generating Projects - Jordan								59		59
School Construction, Jordan								7,737	(7,737)	
EC Fellowships								1,383	(1,383)	
School Buildings and other facilities in Gaza								3,084	(3,084)	
Specialists - Baqa'a Clinic								(36,364)	36,364	
United Nations Women's Guild- equipping of 5 disabled centres, Jordan								444	(444)	
Education Project - Jordan (Austria)								32	(32)	
Construction of School Rooms and Sanitation Facilities, Gaza								1,191		1,191
Construction and equipping of Classrooms								39	(39)	
Construction of Girls School Jarash Camp Jordan								(2,620)	2,620	

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PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Water Project - Al Moallaque Village (German)	-		-	-		-		(105)	105	
School Construction - 1983	-		-	-		-		153	(153)	
Production of Mrs. Abu Risheh's Book	-		-	40,368		40,368	(40,368)	50,000		9,632
Campaign against illiteracy - Syria (Austria)	-		-	-		-		161	(161)	
Environmental Sanitation Project .	-		-	-		-		151,646		151,646
CIDA Projects - 1988	-		-	-		-		14,643	(14,643)	
Baqaa Elementary Boys School - Jordan	-		-	-		-		2,169	(2,169)	
Construction of Science Laboratory & Schoolrooms	-		-	5,937		5,937	(5,937)	5,936		
School Construction - Husn Camp (CIDA)	-		-	-		-		(25)	25	
Training in Community Based Rehabilitation Centre, Diakonia Project	-		-	-		-		(3,452)	3,452	
Construction & Other Projects - Agency-wide, Japan	-		-	80,688		80,688	(80,688)	201,526	(25,882)	94,956
Construction and Equipment Health Point Auja	-		-	-		-		(2,609)	2,609	
Remedial and Special Education	-		-	-		-		303		303
Renovation of Rafah Mother and Child Health Sub-Centres	-		-	1,459		1,459	(1,459)	1,517		57
Construction and Equipping - Al Fakhri, Gaza	-		-	-		-		1,748	(1,748)	

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Women's Production Unit At Amman New Camp	-		-	-		-	-	(30,000)	30,000	-
Library - Maghazi WOMEN'S PROGRAMME CENTRE Gaza	-		-	-		-	-	429		429
Various Projects Agency Wide (Japan)	-		-	78,520		78,520	(78,520)	75,834	32,762	29,876
Poverty Alleviation in Gaza(Germany)	-		-	-		-	-	44,709	(44,709)	-
Upgrading of health Centres in West Bank (Germany)	-		-	-		-	-	46,547	(13)	46,533
Upgrading two schools in Syria (Germany)	-		-	-		-	-	5,533		5,533
Solidarity Lending Group Programme	-		-	367		367	(367)	659,929	(659,562)	-
Scholarship, Equipping of Damascus Training Centre and Wadi Seir Training Centre and Expansion of Qalqilia Hospital, West Bank	-		-	177,936		177,936	(177,936)	253,515	1,231	76,810
Hama Camp Community Rehabilitation Programme	-		-	-		-	-	1,157		1,157
Community Rehabilitation Programme-Lebanon-Norway	-		-	-		-	-	152		152
French Kindergartens in Lebanon	81,863		81,863	82,932		82,932	(1,069)	884	3,897	3,712
Eye Disease Clinic - Gaza	-		-	-		-	-	2,512		2,512
Training of Music Teachers in West Bank	-		-	-		-	-	192	-	192
Women's Programme Centre Jaramana, Syria	-		-	9		9	(9)	7,447	(7,438)	-
Women's Literacy Project, Syria	-		-	122		122	(122)	122		-

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PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Remedial Education for slow learners project, Jordan	-		-	19,078		19,078	(19,078)	20,800	(1,722)	-
Market Study - Palestinian Embroidery	-		-	-		-	-	(1,146)	1,146	-
Remedial Education for slow learners, Baddawi-Lebanon	-		-	25,528		25,528	(25,528)	26,549	(1,021)	-
School Construction in Arrabeh, West Bank	-		-	-		-	-	3,909	(3,909)	-
University Scholarships	-		-	460,057		460,057	(460,057)	676,066	-	216,009
Women's Programme Centre, Dera'a, Syria	-		-	14,679		14,679	(14,679)	73,852	(8,930)	50,242
Construction of classrooms in Jordan (Germany)	-		-	-		-	-	(400)	400	-
Repair & Reconstruction of Warehouse - Lebanon	-		-	-		-	-	10,173	(10,173)	-
Various Urgent Projects	-		-	1,851		1,851	(1,851)	28,520	-	26,669
Various constructions - Gaza	-		-	-		-	-	57,064	(57,064)	-
Replacement and Construction, Gaza and Jordan	-		-	-		-	-	(215)	215	-
Various Constructions - Jordan (USA)	-		-	-		-	-	2,784	265	3,049
University Scholarship Programme - 1995	-		-	130,321		130,321	(130,321)	242,437	-	112,116
UNRWA's 45th Anniversary Photo Album (Various)	-		-	-		-	-	(2,663)	2,663	-
Provision of Contraceptive Supplies	132,714		132,714	33,912		33,912	98,802	(96,405)	(380)	2,777

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
University Scholarship - 1996				194,211		194,211	(194,211)	416,489		222,278
Scholarship Programme 1997				214,252		214,252	(214,252)	1,179,000	(800,000)	164,748
Introduction to BS & RT Nursing Courses 97/98 Lebanon	23,077		23,077	22,281		22,281	796			796
Scholarship Programme	71,000		71,000	66,728		66,728	4,272			4,272
Nursing Courses for Palestine Refugees in Lebanon	25,210		25,210				25,210			25,210
Seconded Danish Experts		68,078	68,078		68,078	68,078				
Junior professional Officer, Relief and Social Services, Jordan (Italy)	67,497		67,497	96,900		96,900	(29,403)	42,898	(13,495)	0
Junior Professional Officer Projects, Lebanon (Germany)	174,001		174,001	88,341		88,341	85,660			85,660
Associate Officer Field Administration, Gaza	94,471		94,471	66,824		66,824	27,647			27,647
Junior Profession Officer, Ms. Philipe Grandin HQ(G)	85,694		85,694	33,107		33,107	52,587			52,587
Jarash Rehabilitation Centre, Jordan								(3,696)	3,696	
Junior Professional Officer - Japan								144,381	(44,381)	100,000
Junior Professional Officer - UNDP - (Supply Div.)								328		328
Junior Professional Officer, Sweden								18,308		18,308
Junior Professional Officers - Netherlands								1,346		1,346

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Junior Professional Officer - Austria	-		-	-		-		(44,415)	44,415	-
Junior Professional Officer, Denmark	-		-	(1,430)		(1,430)	1,430	(16,026)		(14,596)
Junior Professional Officer, Sweden	-		-	64,689		64,689	(64,689)	72,378		7,689
Husn Camp - Health Centre	-		-	-		-	-	(237)	237	-
Junior Professional Officer - Jordan (Italy)	-		-	-		-	-	(6,783)	6,783	-
Junior Professional Officer, France	-		-	11,142		11,142	(11,142)	86,374	(58,372)	16,860
Project of organizing UNRWA Archives	-		-	-		-	-	(4,730)	4,730	-
Junior Professional Officer, Germany	-		-	69,845		69,845	(69,845)	126,414	(85,903)	(29,335)
Representation Costs in Multi-latteral Working Group for Refugees	-		-	-		-	-	2,538	-	2,538
Sur Baher School , West Bank	-		-	-		-	-	372	(372)	-
Sewing Centre Shatila Camp, Lebanon	-		-	-		-	-	6,388	(6,388)	-
Total C.&S. P.	944,416	68,078	1,012,494	2,554,750	68,078	2,622,828	(1,610,334)	4,606,659	(1,368,800)	1,627,525
Expanded Programme of Assistance:										
Establishment of Khan Younis WOMEN'S PROGRAMME CENTRE, Gaza	-		-	686		686	(686)	697		11

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PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Establishment of Khan Younis WOMEN'S PROGRAMME CENTRE, Gaza	-		-	3,651		3,651	(3,651)	6,046		2,395
Cost of a Gynecologist for Qalqilia Hospital -W/B	-		-	-		-	-	(2,962)	2,962	
Construction and Equipping of Ten Classrooms - NECC	-		-	-				789		789
Construction & Equipping of Schools - Gaza & W/Bank	-		-	-		-		84,274	(84,274)	
AIDS (IEC) Training Courses	-		-	1,609		1,609	(1,609)	4,205		2,596
Infrastructure and Environmental Health Projects, Beach Camp Initiative	131,100		131,100	13,142		13,142	117,958	(155,347)	23,664	(13,724)
Construction Girls School- Beit Ula West Bank	-		-	1,226		1,226	(1,226)	1,523		297
Construction and Equipping Classrooms- Sokka Gakkai	-		-	-		-	-	(84)	84	
Palestinian Enterprises - Gaza, West Bank and Jordan -Germany	-		-	-		-	-	463,051	(463,051)	
Income Generation, Revolving Loans	-		-	52,280		52,280	(52,280)	298,707	(132,300)	114,128
Environmental Health Feasibility Studies-Gaza (EC)	-		-	-		-	-	(4,929)	4,929	
Equipment Deir el Balah Health Centre (Austcare)	-		-	-		-	-	-		
Equipment and Furniture Fawwar WOMEN'S PROGRAMME CENTRE	-		-	986		986	(986)	1,654	4	671
Legal Literacy Courses - WOMEN'S PROGRAMME CENTRE - Germany	-		-	-		-	-	20,395	(20,395)	
EX - Baptist School of Nursing	138,955		138,955	174,653		174,653	(35,698)	74,483	902	39,687

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Extension and Improvements of Warehousing (EC)	-							6,908	(6,908)	
HIV/AIDS Prevention & Control	-							1,622		1,622
Library for ex-Baptist School of Nursing - Deut St	-							1,320	(1,320)	
Legal Advice Bureaux in Jordan	-							325	(325)	
Self Housing Repair - Gaza & West Bank (Germany)	-							27,724		27,724
Afternoon Clinics - Gaza	-							(1,955,943)	1,955,943	
Technical Department - Gaza (EC)	-							3,374	(3,374)	
Repair & Reconstruction of Gaza and West Bank Warehouses	-							25,658	(25,658)	
Kuwait Mission	-							(60,723)	60,723	
Relief, Medical and Training Projects	-			11,667		11,667	(11,667)	31,399	138	19,869
Income Generating Projects	-			515		515	(515)	145,532	(139,971)	5,046
Training of Midwives in West Bank (Apheda)	-							582		582
Project and Programme Preparation Facility	-							(1,867)	1,867	
Income Generating Projects - Jordan - NRC	-							211,232	(211,232)	
Various EPA Projects - USA	-							355,880	(340,187)	15,693

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Income Generating Projects West Bank & Gaza	-		-	111		111	(111)	867,790	(867,679)	-
WOMEN'S PROGRAMME CENTRE Health education literacy and numeracy. West Bank	-		-	-		-	-	17,069		17,069
Construction of classrooms - Gaza (Netherlands)	-		-	-		-	-	10,688	(10,688)	-
Construction and Equipment for Ramallah School West Bank	-		-	-		-	-	223	(223)	-
WOMEN'S PROGRAMME CENTRE Health Education Literacy and Numeracy UNESCO	-		-	3,360		3,360	(3,360)	3,360	-	-
Maternal Health Programme in Gaza and West Bank	-		-	3,234		3,234	(3,234)	65,771		62,537
Training Courses - Canada	-		-	612		612	(612)	596	16	-
Income Generation Projects - Canada	-		-	3,009		3,009	(3,009)	232,260	(229,251)	-
Renovation of Health Centre - Jerusalem (USA)	-		-	-		-	-	2,556		2,556
Renovation of Kalandia Training Centre	66,622		66,622	-		-	66,622	209,443	(1,518)	274,547
Gaza Field Income Generation Programme	-		-	-		-	-	584,739	(584,739)	-
Operational Reserves for Income Generation	-		-	53,083		53,083	(53,083)	(474,296)	527,379	-
Upgrading Health Care Provision - Gaza & West Bank	-		-	-		-	-	7,248	(7,248)	-
Operational Health Care Beach, Rafa, Doura Reconstruction and Repair Special Hardship Cases Shelters	-		-	-		-	-	204,370	(89,499)	114,872
Mechanization of Refuse Removal in Gaza	-		-	-		-	-	1,765	(1,765)	-

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Libya Funded Projects - Health & Education (1988)	-		-	-		-	-	7,924		7,924
Manichi Social Welfare Foundation (Gaza & West Bank /B)	-		-	-		-	-	229	(229)	-
Gaza Centre for the Deaf	-		-	-		-	-	636	(636)	-
Shelters Rehabilitation - Beach Camp Initiative	-		-	350,511		350,511	(350,511)	623,712		273,201
Staff Costs, Occupied Territories	-		-	25,902		25,902	(25,902)	221,067	3,125	198,290
School Toilet Construction Gaza	-		-	-		-	-	279,481	532	280,013
Libya- Projects West Bank & Gaza	-		-	-		-	-	5,817	-	5,817
Self help repair/construction - Jordan (Canada)	-		-	-		-	-	(21,828)	21,828	-
Urgent Medical Needs - EMLOT	-		-	-		-	-	9,975	(9,975)	-
AGFUND -Scholarship and Construction	-		-	-		-	-	(55,569)	55,569	-
Warehousing, Gaza (GF)	-		-	19		19	(19)	364,975	(364,955)	-
Warehousing Gaza(Sweden)	-		-	-		-	-	511	(511)	-
Central Field Pharmacy, Jerusalem (USA)	-		-	-		-	-	340	(340)	-
Technical Department Gaza and West Bank	-		-	-		-	-	(4,924,236)	4,924,236	-
Al Ahli Hospital- Gaza (Denmark)	-		-	-		-	-	5,532	-	5,532

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Radda Barnen Contribution	-		-	12,626		12,626	(12,626)	12,976		350
British Save the Children Fund	-		-					(17,287)	17,287	
CT Scanner - Al Ahli Hospital -Gaza and x ray Machine in Makased Hospital, West Bank	-		-	334		334	(334)	613		279
HIV/AIDS - WHO	-		-	20,490		20,490	(20,490)	20,760		270
Women's Programme Centre - Daraj - Gaza	-		-	17,295		17,295	(17,295)	17,869		573
Orthopedic Surgeon - WHO	-		-	-		-	-	10,243		10,243
Women's Programme Centre, Khan Younis, Gaza	-		-	1,225		1,225	(1,225)	1,393	(168)	
Physiotherapy - CIDA -	-		-	-		-	-	(1,773)	1,773	
Consultants & Income Generated Activities	-		-	-		-	-	(2,195)	2,195	
Women's Programme Centre - Fawwar Camp	-		-	8,939		8,939	(8,939)	(174,543)	182,862	(620)
Improve of Aqabat Jabr and Ein Sultan and Income Generation	-		-	62,720		62,720	(62,720)	234,291	(140,748)	30,823
Establishment of Women's Programme Centre Amari	-		-	-		-	-	64,261	(15,198)	49,063
Income Generating Projects -Gaza	-		-	-		-	-	317,530	(317,530)	-
UNICEF Funds for Physiotherapy (Gaza & West Bank)	-		-	-		-	-	(28,541)	28,541	-
In Service Training, Health Professionals (ACMH-WHO)	-		-	-		-	-	972		972

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS' ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
Facilities, West Bank	24,467		24,467	-		-	24,467	(20,069)	(4,398)	
Hospital - West Bank	-		-	-		-	-	(1,050)	1,050	
Line Beach Camp, Gaza	-		-	14,423		14,423	(14,423)	79,370	(64,947)	
WHO	-		-	-		-	-	17,168	(17,168)	
West Bank	-		-	1,847		1,847	(1,847)	7,836		5,989
	361,144	-	**361,144**	**840,156**	-	**840,156**	**(479,012)**	**(1,623,002)**	**3,659,199**	**1,557,185**
to Gaza	**442,115**		**442,115**	-		-	442,115	(5,642,253)	38,877	(5,161,261)
pital										
pital, General	-		-	125,639		125,639	(125,639)	(9,409,049)	13,252	(9,521,436)
Constructions & related costs)	-		-	-		-	-	(58,232)		(58,232)
nd Contribution (Denmark)	-		-	-		-	-	95,059		95,059
pital, Operating Costs	-	246,711	246,711	105,894	246,711	352,605	(105,894)	225,979		120,085
Gaza Hospital	-		-					48,472		48,472

APPENDIX 2

PROJECTS	INCOME			EXPENDITURE			SURPLUS (DEFICIT) FOR THE BIENNIUM	FUND BALANCE AS AT 01.01.1998	PRIOR YEARS ADJUSTMENTS	FUND BALANCE AS AT 31.12.1999
	Cash	In-Kind	Total	Cash	In-Kind	Total				
pital: Additional Construction				29,273		29,273	(29,273)	(1,282,138)		(1,311,412)
pital: Redesign of Sewerage				56,457		56,457	(56,457)	56,457		
ping of Sterile Supply								20,740		20,740
rage Treatment Plant (GF)								(41,663)	41,663	
ruction of Sewerage plant								(603,342)	24,794	(578,548)
ge facilities at GH (Belgium)								(197,298)		(197,298)
of Bulk Storage Warehouse								62,581		62,581
rement of Medical Equipment		658,371	658,371		658,371	658,371				
		905,082	905,082	327,283	905,082	1,232,345	(327,263)	(11,072,433)	79,709	(11,319,987)
ler Budget Funds	1,747,675	973,160	2,720,835	3,722,166	973,160	4,695,329	(1,974,494)	(13,721,030)	2,409,905	(13,286,539)
Regular Budget Funds	44,465,089	1,512,281	45,977,371	55,250,479	1,512,281	56,762,761	(10,785,390)	32,121,134	(7,323,649)	14,082,095
ALL FUNDS	542,989,552	43,062,704	586,052,256	552,475,046	31,498,640	583,973,686	2,078,570	22,211,309	183,828	24,473,706

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APPENDIX J

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

CONTRIBUTIONS RECEIVED
For the Biennium 1998-1999
(in USD)

DONORS	REGULAR BUDGET FUNDS			NON-REGULAR BUDGET FUNDS				GRAND TOTAL
	Cash	In-Kind	Total	Peace Implementation Programme	Lebanon Appeal	Others *	Total	
	4,056,610	-	4,056,610					4,056,610
	817,000	-	817,000					817,000
	1,890,049	-	1,890,049	640,325	375,000		1,015,325	2,905,374
	50,000	-	50,000	-	-			50,000
ALAM	20,000	-	20,000	-	-			20,000
	16,657,273	5,000	16,662,273	1,456,873	-	404,930	1,861,803	18,524,076
	10,000	-	10,000	-	-	-		10,000
	119,970	-	119,970					119,970
	5,085	-	5,085					5,085
	20,000	-	20,000					20,000
AC	45,938	-	45,938					45,938
	16,648,055	7,389	16,655,434			246,711	246,711	16,902,145
	20,000	-	20,000					20,000
	3,965,379	-	3,965,379					3,965,379
	4,715,963	2,090,000	6,805,963			167,557	167,557	6,973,520
	10,141,839	-	10,141,839	6,748,945		198,468	6,947,413	17,089,252
	700,000	-	700,000					700,000
	-	-	-	319,043	-	-	319,043	319,043
	-	-	-	20,000	-	-	20,000	20,000
	10,485	-	10,485					10,485
	25,000	-	25,000					25,000
	1,104,640	-	1,104,640					1,104,640
	7,473,888	-	7,473,888	288,396	-	265,219	553,615	8,027,503
	19,875,626	22,371,852	42,247,478	1,815,252	-	71,000	1,886,252	44,133,730
	-	23	23	-	-	-	-	23
TRY OF HEALTH)	-	168,000	168,000	-	-	-	-	168,000
BLIC OF	125,000	-	125,000	-	-	-	-	125,000
	3,000,000	-	3,000,000	1,137,205	-	-	1,137,205	4,137,205
	393,583	-	393,583	1,222,000	-	-	1,222,000	1,615,583
	40,000	-	40,000	-	-	-	-	40,000
	2,000	-	2,000	-	-	-	-	2,000
	3,000	-	3,000	-	-	-	-	3,000
	3,044	-	3,044	-	-	-	-	3,044
ALTH LEBANON	-	15,855	15,855	-	-	-	-	15,855

APPENDIX I

DONORS	REGULAR BUDGET FUNDS			NON-REGULAR BUDGET FUNDS				GRAND TOTAL
	Cash	In-Kind	Total	Peace Implementation Programme	Lebanon Appeal	Others *	Total	
	25,585		25,585					25,585
	14,481,008	647,805	15,128,813	3,045,410		64,471	3,109,881	18,238,694
	221,960		221,960					221,960
	26,187,997		26,187,997					26,187,997
	50,000		50,000					50,000
		949,665	949,665					949,665
STRY OF HEALTH)		700,007	700,007					700,007
	1,250		1,250					1,250
	50,000		50,000					50,000
				99,975			99,975	99,975
	3,600,000		3,600,000					3,600,000
THRU SAUDI FUND FOR DEV.)				9,207,872			9,207,872	9,207,872
	3,000		3,000					3,000
	35,279		35,279					35,279
	5,886,704		5,886,704	1,786,474	162,341	658,371	2,607,186	8,493,890
	36,385,230		36,385,230		104,571		104,571	36,489,801
	10,657,342		10,657,342	175,815			175,815	10,833,156
		50,657	50,657					50,657
OF HEALTH)		44,259	44,259					44,259
	30,000		30,000					30,000
	11,286		11,286					11,286
	300,000		300,000			37,185	37,185	337,185
MIRATES	1,000,000		1,000,000					1,000,000
M	24,610,219		24,610,219	691,271			691,271	25,301,489
M				1,474,535			1,474,535	1,474,535
S	155,098,500		155,098,500	6,054,956	120,000		6,174,956	161,273,456
	614		614					614
S	370,575,409	27,050,492	397,625,901	36,184,347	761,912	2,143,912	39,090,171	436,716,069
al Organizations:								
ARABIA				148,043		100,000	248,043	248,043
MUNITY	100,015,143	11,939,726	111,954,870	1,446,914	799,758	88,889	2,335,561	114,290,431
mental Organizations	100,015,143	11,939,726	111,954,870	1,594,957	799,758	188,889	2,583,604	114,538,474
s:								
		840	840					840
		39,332	39,332					39,332
	88,909	948,804	1,037,713					1,037,713
						132,714	132,714	132,714
		305,343	305,343					305,343
S	24,275,221		24,275,221					24,275,221
ORGANIZATION	500,000	333,948	833,948					833,948
zations	24,864,130	1,628,267	26,492,397			132,714	132,714	26,625,111

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APPENDIX 3

DONORS	REGULAR BUDGET FUNDS			NON-REGULAR BUDGET FUNDS				GRAND TOTAL
	Cash	In-Kind	Total	Peace Implementation Programme	Lebanon Appeal	Others *	Total	
nmental Organizations								
E (AUSTRALIAN CARE FOR REFUGEES)	-	-	-	236,397	-	-	236,397	236,397
	-	28,133	28,133	-	-	-	-	28,133
FUND, RAMALLAH	-	3,174	3,174	-	-	-	-	3,174
EFUGEE COUNCIL	-	-	-	-	-	68,076	68,076	68,076
E STIFTUNG	-	-	-	30,312	-	-	30,312	30,312
ND CHRISTIAN MISSION	-	147,828	147,828	-	-	-	-	147,828
UMAN RIGHTS ORGANIZATION	-	1,120	1,120	-	-	-	-	1,120
NDO	-	-	-	99,010	-	-	99,010	99,010
FED UNESCO ASSOCIATIONS JAPAN	16	-	16	-	-	-	-	16
OSEI-KAI	-	-	-	-	-	48,287	48,287	48,287
E CHILDREN FUND, UK	-	-	-	-	-	138,955	138,955	138,955
KKAI, JAPAN	-	-	-	20,000	-	-	20,000	20,000
GERMAN AID CARITAS, SWITZERLAND	22,000	-	22,000	-	-	-	-	22,000
D NGO	-	254,139	254,139	-	-	-	-	254,139
ASSOCIATION, GENEVA	-	-	-	133,532	-	-	133,532	133,532
ISION INTERNATIONAL, LEBANON	409,450	-	409,450	-	-	-	-	409,450
overnmental Organizations	431,466	434,394	865,860	519,251	-	255,320	774,571	1,639,431
ies	32,102	1,214,808	1,246,910	-	-	-	-	1,246,910
TOTAL CONTRIBUTIONS	495,918,249	42,267,687	538,185,936	38,297,534	1,861,670	2,720,835	42,580,058	580,765,994

APPENDIX 4

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

INCOME GENERATION AND POVERTY ALLEVIATION PROGRAMME INCOME AND EXPENDITURE STATEMENT

For the Biennium 1998-1999
(in USD)

INCOME:		
Interest on Revolving Fund Account	1,037,813	
Interest on Small Scale Enterprise Loans	1,139,468	
Interest on Micro-Enterprise Loans	1,779,527	
Interest on Poverty Alleviation Programme	9,212	
Exchange Rate Gains (Losses)	(568,706)	
Total Income		3,397,313
EXPENDITURE:		
International Staff Costs	293,631	
Local Staff Costs	1,959,443	
Overtime Supplement	3,845	
Senior Manager's Allowance	5,764	
Casual Employee Costs	20,793	
Cleaning Supplies	942	
Office, Stationery and Scholastic Supplies	4,006	
Automotive Spare Parts and Accessories	4,323	
Minor Equipment and Furniture	15,146	
Miscellaneous Non-Catalogue Supplies	17,567	
Library and Reference Books	1,279	
Rental of Premises	202,195	
Electricity	7,712	
Water	817	
Equipment	3,689	
Computer Hardware Equipment	11,282	
Construction and Alterations of Structures	3,224	
Travel	29,616	
Telephones	16,987	
Training Costs	57,034	
Hire of Vehicles	8,888	
Bank Charges	2,615	
Special Service Agreements	24,194	
Other Contractual Services	41,593	
Cash Losses	236,705	
Total Expenditure		2,973,290

APPENDIX I

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

GENERAL FUND
PRODUCTION UNITS AND CANTEEN REVENUES
For the Biennium 1998-1999
(in USD)

	Schools Contibutions & Canteen Revenues	Production Units				GRAND TOTAL
		Contracting	Carpentry	Embroidery	Total	
GAZA:						
Sales(Income)	646,648	1,364,685	1,101,209	306,235	2,772,329	3,418,977
Cost of Sales	640,020	1,345,418	1,096,412	275,510	2,717,340	3,357,360
Net income	**6,628**	**19,467**	**4,797**	**30,725**	**54,989**	**61,617**
LEBANON:						
Sales(Income)	507,137					507,137
Cost of Sales	547,666					547,666
Net income	**(40,529)**	-	-	-	-	**(40,529)**
SAR:						
Sales(Income)	289,150					289,150
Cost of Sales	247,267					247,267
Net income	**41,883**	-	-	-	-	**41,883**
JORDAN:						
Sales(Income)	1,223,286					1,223,286
Cost of Sales	1,158,229					1,158,229
Net income	**65,057**	-	-	-	-	**65,057**
W.B.:						
Sales(Income)	433,473					433,473
Cost of Sales	375,144					375,144
Net income	**58,329**	-	-	-	-	**58,329**
TOTALS:						
Sales(Income)	**3,099,694**	**1,364,685**	**1,101,209**	**306,235**	**2,772,329**	**5,872,023**
Cost of Sales	**2,968,326**	**1,345,418**	**1,096,412**	**275,510**	**2,717,340**	**5,685,666**
Net income	**131,368**	**19,467**	**4,797**	**30,725**	**54,989**	**186,357**

C. Provident Fund statements

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

AREA STAFF PROVIDENT FUND
STATEMENT OF
INCOME & EXPENDITURE
AND INCOME DISTRIBUTION ACCOUNT
For the Biennium 1998-1999
(in USD)

1996-1997			1998-1999	
		Investment Income		
	149,941,458	Gross Investment Income	106,657,292	
	4,377,860	Less: Investment Management fees	4,521,975	
	145,563,598	Net investment income	102,135,317	
		Other Income		
	501,593	Income from loans scheme	521,561	
	146,065,191	TOTAL INCOME	102,656,878	
		Expenses		
	1,185,361	General administration expenses	936,385	
	386,356	Participants loan scheme administration expenses	297,702	
	1,571,717	TOTAL EXPENSES	1,234,087	
144,493,474		NET INCOME FOR THE BIENNIUM		101,422,790
91,529,724		**Add** Undistributed Income At 1.1.1998		70,980,322
		Prior year adjustment		(68,125)
		Unallocated Surplus at biennium end		2,886
236,023,198		TOTAL OF AVAILABLE INCOME		172,337,873
	155,730,004	**Less** Income distributed to continuing participants	144,748,650	
		interest paid during the biennium on:		
		full withdrawals of voluntary contributions	203,208	
	9,312,872	withdrawals of separated participants credits	6,293,081	
		reserve for loan administration expenses	223,859	
165,042,876		TOTAL INTEREST PAID DURING THE BIENNIUM		151,468,798
70,980,322		INCOME AVAILABLE FOR DISTRIBUTION		20,869,076

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

AREA STAFF PROVIDENT FUND
STATEMENT OF
ASSETS AND LIABILITIES
As at 31 December 1999
(in USD)

31.12.1997			31.12.1999	
		ASSETS		
	236,726,840	Ring Commercial Loans	270,297,069	
	32,315,979	Core Assets: Home	-	
	217,322,858	Treasury Trust: London	227,582,418	
	115,611,773	Fortis Asset Management: Paris	-	
	92,752,264	Deposits: Bank, Frankfurt	94,560,218	
	74,875,642	Liombard Odier & Cie: Geneva	95,810,649	
	53,785,200	State Street: Paris	48,335,348	
	-	Jobs: Bern	76,467,431	
	-	Cash: Int'l Bank	42,627,541	
	921,672	Security Lending/DKA	185,174	
	-	Cash (operations)	719,370	
824,312,481		TOTAL OF ASSETS		856,565,219
		LIABILITIES		
		Continuing participants credits:		
	180,151,076	Gaza and Cairo	237,158,924	
	72,164,550	Lebanon	81,303,102	
	59,053,502	S.A.R.	68,563,569	
	95,720,279	West Bank	105,295,066	
	237,937,300	Jordan	246,537,016	
	7,593,180	HQ Amman	8,174,808	
	1,095,237	HQ Vienna	1,113,284	
	720,296	HQ Gaza	1,256,210	
	654,415,522	Sub Total	719,481,983	
		Retirees' Credits:		
	32,778,036	Gaza and Cairo	41,205,373	
	345,419	Lebanon	200,234	
	18,211,997	S.A.R.	18,835,864	
	16,896,223	West Bank	19,975,269	
	6,648,096	Jordan	9,556,121	
	2,537,806	HQ Amman	3,089,592	
	14,775,812	HQ Vienna	15,072,572	
	4,171	HQ Gaza	7,806	
	92,197,561	Sub Total	107,942,831	
		Other liabilities:		
	4,539,510	Ex-participants' credits	5,162,721	
	2,176,680	Due To UNRWA General Fund	2,884,749	
	70,980,322	Income available for distribution	20,869,076	
	-	Income for loan administration expenses	223,859	
	2,886	Unallocated surplus	-	
	77,699,398	Sub Total	29,140,405	
824,312,481		TOTAL OF LIABILITIES		856,565,219

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

AREA STAFF PROVIDENT FUND
Percentage Breakdown of Investment Balances
31 December 1999

	Baring Int'l	Deutsche Bank	Fiduciary Trust	Julius Baer	Saudi Int'l Bank	State Street	Lombard	Total
EUROPE	18	24	16	23	23	29	39	25
PACIFIC BASIN	8	7	15	17	12	25	13	13
NORTH AMERICA	74	69	69	60	65	46	48	62
TOTAL	100	100	100	100	100	100	100	100

Percentage Breakdown of Investment By Type (Market Value)
31 December 1999

	Baring Int'l	Deutsche Bank	Fiduciary Trust	Julius Baer	Saudi Int'l Bank	State Street	Lombard	Total
%CASH	5	35	5	2	14	2	2	8
%BONDS	95	65	95	98	86	-	-	71
%EQUITIES	-	-	-	-	-	98	98	21
%TOTAL	100	100	100	100	100	100	100	100

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

AREA STAFF PROVIDENT FUND
STATEMENT OF
INVESTMENTS AND INVESTMENT INCOME
For the Biennium 1998-1999
(In USD)

	Bering Int'l	Deutsche Bank	Fiduciary Trust	Julius Baer	Saudi Int'l Bank	State Street	Lombard	Security Lending	Bank Austria	Paribas	Cash Investments	Total
at 01.01.1998	236,726,890	92,752,264	217,322,859	–		53,785,202	74,875,842	853,647	32,315,979	119,611,723		824,244,356
the Biennium	9,001,277	(8,523,697)	(12,375,495)	73,950,000	40,300,000	(14,100,000)	(7,500,000)	(2,132,988)	(33,442,286)	(119,707,035)	715,920	(69,814,454)
of the Biennium	245,728,167	84,228,567	204,947,364	73,950,000	40,300,000	39,685,202	67,375,842	(1,279,441)	(1,126,407)	(95,312)	715,920	754,429,902
t income	25,746,505	10,686,957	23,440,643	2,761,703	2,441,657	6,992,577	29,247,105	2,114,616	1,126,407	95,312	3,450	106,657,292
agers' fees	1,207,702	355,306	795,589	244,272	114,116	342,431	812,299	650,260				4,521,975
Income	24,538,902	10,331,651	22,645,054	2,517,431	2,327,541	6,650,146	28,434,807	1,464,616	1,126,407	95,312	3,450	102,135,317
at 31.12.1999	270,267,069	94,560,218	227,592,418	76,467,431	42,627,541	46,335,348	95,810,649	185,175	–	–	719,370	856,565,219

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

POST EMPLOYMENT FUND INVESTMENT STATEMENT OF INVESTMENTS AND INVESTMENT INCOME

For the year ended 31 December 1999
(in USD)

Gross Income	29,551
Distributed during the year	1,467
Income Available for Distribution	28,084

STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 1999

ASSETS		
Investments		861,283.00
Total Assets		861,283.00
LIABILITIES		
Continuing participants Credits:		
Gaza	798,666	
West Bank	24,473	
Total		823,139
Due to General Fund		10,060
Income Available for Distribution		28,084
Total Liabilities		861,283

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

AUSTRIAN SCHILLING
PROVIDENT FUND
STATEMENT OF INCOME & EXPENDITURE
AND INCOME DISTRIBUTION ACCOUNT
FOR THE BIENNIUM 1998-1999
(in USD)
HQ(V)

1996-1997			1998-1999	
		Investment Income:		
	148,504	Gross Investment Income	137,438	
	(54,457)	Less: Exchange rate Adjustments	(82,057)	
	94,047	Net investment income	55,381	
		Other Income		
	737	Income from loans scheme	-	
	94,784	**TOTAL INCOME**	55,381	
		Expenses:		
	1,295	General administration expenses	2,214	
	375	Participants loan scheme administration expenses	-	
	1,670	**TOTAL EXPENSES**	**2,214**	
93,114		**NET INCOME FOR THE YEAR**		**53,167**
213,862		**Add**: Undistributed Income At 1.1.1998		**96,737**
306,976		**TOTAL OF AVAILABLE INCOME**		**149,904**
	151,522	**Less:** Income distributed to continuing participants	85,891	
	58,717	withdrawals of separated participants credits	59,902	
210,239		**TOTAL INTREST PAID DURING 1998-1999**		145,793
96,737		**INCOME AVAILABLE FOR DISTRIBUTION**		**4,111**

UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES IN THE NEAR EAST

AUSTRIAN SCHILLING PROVIDENT FUND
STATEMENT OF ASSETS AND LIABILITIES
As at 31 December 1999
(in USD)
HQ(V)

31.12.1997			31.12.1999	
		ASSETS		
	2,355,699	Investments: Treasury HQ(Gaza) ATS 1,515,727 @ 13.69	110,705	
2,355,699		TOTAL OF ASSETS		**110,705**
		LIABILITIES		
	457,509	**Continuing participants credits:** ATS credits ATS 1,459,435 @ 13.69	106,594	
	1,597,292	**Retirees' Credits:**		
	204,161	Due To UNRWA General Fund	-	
	96,737	Income available for distribution ATS 56,292 @ 13.69	4,111	
2,355,699		TOTAL OF LIABILITIES		**110,705**

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

PROVIDENT FUND ADMINISTRATION EXPENSES For the Biennium 1998-1999 (in USD)

1996-1997			1998-1999	
		Provident Fund Secretariat:		
	516,997	Established Posts	338,794	
	2,385	Computer Equipment	2,364	
	48,800	Travel Costs	78,007	
	2,810	Temporary Assistant	1,000	
	18,239	Telecommunications	21,342	
	9,014	Other Costs	59,545	
598,245		**Total**		**501,052**
973,472		Agency's Administration Expenses		733,035
1,571,717		**Total Administration Expenses**		**1,234,087**
		Allocated between:		
	1,185,361	General Administration	936,385	
	386,356	Loan Scheme Administration	297,702	
1,571,717		**Total Administration Expenses**		**1,234,087**

Annex

Notes to Provident Fund financial statements

Note 1
The Fund

The Provident Fund is a benefit that applies to all area staff members, except for contract teachers who participated in the Post-Employment Fund, and is the equivalent of a defined-contribution pension plan. The Provident Fund, which was established in 1955, had 18,523 participants as at 31 December 1999. This figure does not include 1,999 separated staff members who still hold credits in the Fund under Provident Fund rules. The monthly contribution amount is based on a mandatory 7.5 per cent payroll deduction for each staff member plus the Agency's share of 15 per cent. Under the Provident Fund rules, staff members are allowed to make additional voluntary contributions up to a maximum of 50 per cent of monthly payroll. Loans against staff credits for educational, medical and housing needs are granted to the members. These loans must be repaid within a period of 10 years. As at 31 December 1999, an amount of $52,721,208 was outstanding as loans. All participants receive the lower of book or market value return on the Fund for the period of employment or membership in the Fund. The Fund is administered by the Provident Fund secretariat jointly under the supervision of and with guidance provided by two committees, the Provident Fund Committee and the Investment Advisory Committee.

Note 2
Investment management and investments

The Fund employed seven investment managers, five for the global bond portfolio and two for the global equity portfolio. The approved guidelines for investments allowed for an asset allocation mix of 85 per cent for bonds and 15 per cent for equities. However, an allocation of 80 per cent bonds and 20 per cent equities was implemented with the approval of the Provident Fund Committee in November 1999. A global custodian, the Northern Trust Company, has custody of the assets. A securities lending programme is also administered by the Northern Trust Company under which the assets of the Fund are lent to approved borrowers for short duration for a commission. An independent company, the WM Company, calculates the performance numbers for the Fund. During the biennium, four new investment managers were appointed and two were terminated. The investments are valued, for purposes of generating an income figure, at the lower of cost or market value on a portfolio basis. The value of investments at 31 December 1999 was $856,565,219 for the Dollar Fund and $110,705 for the Austrian Schilling Fund. The investment managers' valuation based on market value was $913,145,963 for the Dollar Fund. Subsequent to the transfer of the members' balances to the Dollar Fund in July 1998, the investment management function of the Austrian Schilling Fund was delegated to the Treasurer of the Agency.

Note 3
Investment income

Gross investment income for the biennium comprises the following:

	United States dollars
(a) Interest from fixed-income securities	78 648 283
(b) Dividends from equities	4 809 910
(c) Realized capital gains	18 601 493
(d) Interest on short-term deposits	4 598 063
Total	**106 657 749**

Note 4
Foreign currency transaction

The Provident Fund accounts are maintained in United States dollars. Transactions in other currencies are translated to United States dollars at the United Nations operational rate of exchange prevailing at the time.

Note 5
Administration costs

Direct expenses of the Provident Fund secretariat and expenses computed, based on time spent by staff, on the Provident Fund scheme at Headquarters and field offices are included under administration costs. This expenditure has been allocated between general administration and loan scheme administration.

Note 6
Prior year adjustments

A prior year adjustment was made in respect of the custodian fees payable to the global custodian for the fourth quarter of 1997.

Note 7
Reserve for loan administration expenditure

A reserve account has been established to compensate for the difference between the 1 per cent administrative fee levied on Provident Fund loans and loan administration expenses in case of any future shortfalls.

Note 8
Contributions and fund balances

The movement of funds and the resulting amount due to the Agency by the Provident Fund as at 31 December 1999 is given below.

Funding source	*United States dollars*
Continuing participants' credits	65 066 461
Retirees' credits	15 745 270
Separated participants' credits	623 211
Investment income	(49 887 387)
Total	**31 547 555**
Less: Prior years' unallocated surplus	(2 886)
Net funding sources	31 544 669
Less: Increase in investment portfolio	(32 252 738)
Applied to General Fund	(708 069)
Less: Amount due to General Fund on 1 January 1998	(2 176 680)
Amount due to General Fund on 31 December 1999	**(2 884 749)**

Note 9
Post-Employment Fund

The Post-Employment Fund, which was established for the teachers employed on contractual terms, was to be merged with the main Provident Fund in March 2000.

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